What's Ahead for Pulp and Paper: pp. 45-84

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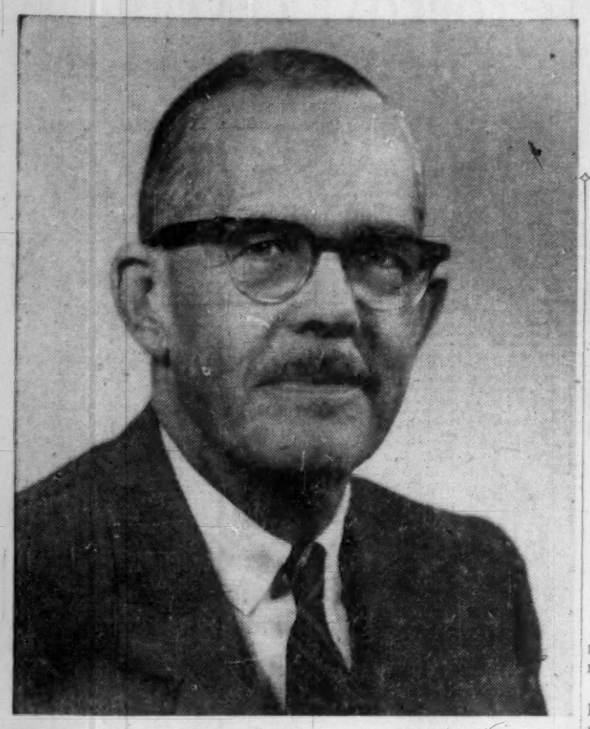
Heads Accountants



John L. Helliwell, F.C.A., of Vancouver, was this week named president of the Canadian Institute of Chartered Accountants. He was elected head of the 8,100-member organization at its 56th annual conference in Montreal. He is a senior partner with Helliwell, MacLachlan & Co. *(Personality sketch, p. 6.)*

NATION'S BUSINESS

Deceptively Simple Is Bill of Rights

Mr. Diefenbaker's Bill of Rights is deceptively simple but could seriously distort our traditional system of law.

It lists freedoms "which have always existed," and declares that acts of parliament, past or future, shall be construed so as not to infringe on any of them.

There are many of these freedoms. Clause 2 (a) sets out some: "The right of the individual to life, liberty, security of the person and enjoyment of property, and the right not to be deprived thereof except by due process of law."

Only a reactionary curmudgeon, it would appear on the surface, could possibly object to aims so worthy. Yet the bill ought to be handled gingerly, like the dynamite it is. For it could lead our constitution down a path dangerously different from that which it has followed since Confederation.

No Amending Machinery

Take the obvious difficulties first. The Bill of Rights, as it now stands, is a parliamentary statute which parliament could pass in the morning and change in the afternoon. The only way to bind parliament would be to amend the British North America Act. But the BNA Act contains no amending clause and is amendable only by the British Parliament as the body which originally passed it at Confederation.

As far as the British Parliament is concerned, this is a formality whenever a joint request is presented by the Canadian Commons and Senate. The real difficulty lies in the fact that we have no machinery for securing provincial agreement to such a request, no clear precedent as to what amount of agreement ought to be secured. Prime Minister St. Laurent, for example, at one time suggested that the consent of all 10 provinces was necessary for certain changes.

This brings us to the second level of difficulty. The BNA Act gives the provinces exclusive jurisdiction over "property and civil rights" within their boundaries, powers apparently in conflict with those which, under Mr. Diefenbaker's clause 2(a), would be ascribed to the federal parliament. To fall in line with the bill, the provinces would have to give up authority they have held since 1867. This is not at all likely to happen. Indeed, there is at least one province which might regard the Confederation "pact" as dissolved if its authority in the field of civil rights were taken away.

Just for argument's sake, suppose the provinces did agree to the change and we amended the BNA Act to incorporate the guarantees set out in the present Bill of Rights. Then we would reach the third level of difficulty which could be the most formidable of all.

We would have done just what the U. S. did — substituted the authority of a document for the authority of the legislature. We would have limited parliament to activities within the framework of a series of grandiloquent phrases which at present have no meaning at all in Canadian law.

Down a Blind Alley

It would be up to the Supreme Court, not only now, but for all time, to interpret them. No one can say down just what constitutional blind alley we would wander.

Take 2 (a), the due process of law clause. The Americans have two "due process" clauses in their constitution and this is what U. S. Justice Felix Frankfurter said about them:

"These broad guarantees are expressed in words so undefined that they leave the individual justice free to fill in the vacuum with his own controlling notions of economic, social and industrial facts with reference to which they are invoked. No nine men are wise enough and good enough to be entrusted with the power which the unlimited provisions of the due process clauses confer."

It was a wise decision on the government's part to leave the public and parliament three or four months to consider the implications of this bill. It deserves the most searching scrutiny which the Canadian legal profession, the provinces, and parliament can give it.

• • •

"Sheer Ignorance, Sir"

In a comment on Canadian-U. S. trade relations, the Los Angeles Herald-Express says:

"When Canadian cartels hold us up by a fictitious price on newsprint, it is a bit difficult to see the wisdom of their course."

How often will it be necessary to remind our neighbors of the facts about the newsprint business?

The 3% price increase in March, 1957, (there has been no increase since then), was modest by comparison with the general advance of prices, labor costs, etc., and added only a fraction of 1% to publishing costs.

This increase was made by all North American paper companies in all markets.

Paper mills in the U. S., plus American-owned mills in Canada, have an annual capacity of 3,966,852 tons; while Canadian-owned mills have a capacity of 3,768,717 tons.

Thus the statement in the Los Angeles paper, repeated in substance hundreds of times a year in the U. S. press, is about as totally erroneous as it's possible for a statement to be. This is a good example of what Canadians mean when they speak of American ignorance of business relationships with Canada.

(The pulp and paper industry of Canada is surveyed in this issue of The Financial Post. See pages 45-84.)

SHIP PULPWOOD

N.S. Pulp Mill? Swedes Test Wood

If this Swedish process works, it will mean a new industry for eastern Nova Scotia . . .

By W. L. DACK

A shipload of pulpwood may make Nova Scotia history next month.

About 1,500 tons of wood leaves for the big Skutskar pulp mill of **Storra Kopparberg Co.** on the Baltic coast of Sweden.

The big Swedish firm plans to process the Nova Scotia wood into a premium grade sulphite pulp for fine paper and blends by a completely new process, tried out for the first time this summer.

If the Nova Scotia wood produces a high grade pulp by the new process, the Swedish firm is expected to proceed soon with plans to construct a 350-ton-a-day pulp mill.

Nova Scotia legislature has approved the company's forest management license covering a 1.2 million acre stretch in the seven eastern counties of the province.

The Canadian mill would produce the new premium grade sulphite using a sodium cooking process together with a recently developed chemical recovery process.

Next month when the Nova Scotia test wood has been converted into pulp, it will be sent to Storra Kopparberg customers in Europe, England and the U. S. for evaluation.

On the results will depend company's plans to start construction of the Nova Scotia mill.

Company officials are confident the tests will prove successful.

Storra Kopparberg is one of the major combined mining and pulp and paper firms in Sweden.

Steel Orders Flow to U.S. And Lots More May Follow

By FP STAFF WRITERS

The tempo of steel orders swinging to U. S. mills is gathering momentum. It mounts daily as the strike at Canada's biggest steel producer — **Steel Co. of Canada** — moves into its second month (**FP**, Aug. 23).

Another factor could push the flood of orders going south even more.

• The important pickup in U. S. steel buying and the spreading optimism that general business is again in an expanding phase.

Many steel users in Canada who have been satisfied to string along with reduced inventories for some months, now are preparing to place orders again just for general inventory purposes alone.

Chances are that they will have to order most of their flat rolled products in the U. S.

Canada's only other major producer—**Dominion Foundries & Steel Corp.**, Hamilton — is already operating close to capacity on orders in hand.

"Thousands of tons of new business has come to us in the last two to three weeks and it is increasing every day," the Toronto sales representative of one of the major U. S. steel companies told **FP** this week. "I'd say business is running three to four times what it was before the Stelco strike started."

Good deliveries are still available on orders placed in U. S.—three weeks on cold rolled sheets; about four weeks on plates; four weeks on galvanized sheets.

Forced to pay anywhere from $15 to $30 a ton more for steel in U. S., many Canadian firms have been inclined to defer orders as long as they comfortably could.

Now a combination of the improved business sentiment and lack of any signs of near-term settlement in the Stelco wage dispute has brought them into a buying role again.

BUSINESS COMPLACENT

Vaccine Set for Flu: But What About You?

By RICHARD OGDEN

Complacency.

That one word seems to sum up the attitude toward the threat of an Asian flu epidemic.

It has been predicted (**FP**, Sept. 13) that it will strike again this winter although not so severely as last year.

Then, millions of dollars' worth of production was lost through Asian flu.

Yet this year few companies appear to be planning any very positive program for their employees other than advising them to take shots as a precaution.

Adequate supplies are now available at reasonable cost.

The question is how long they will last once the virus strikes.

Chances are that those who succumbed last winter will escape this year, but this is by no means certain. Immunity lasts only from six to nine months.

One pharmaceutical spokesman told **FP** his firm's distribution program is being "hampered" by this complacency.

He pointed out that the drug can only be stored for about 18 months.

After that it has to be discarded. Storage factors make it impossible to carry enough to satisfy a last-minute rush.

As a precaution **Connaught Laboratories,** University of Toronto, have around one million shots of the raw material on hand.

The new polyvalent virus vaccine (effective against Asian and other forms of flu) is available at about $2.10 per person.

Bottles of 10 cc sell for $10.50 which is sufficient for five persons. Two doses at intervals of a week to 10 days are recommended.

The monovalent (effective against Asian flu) is still available at $7 and $9.50 per bottle of 10 cc.

However, some houses have dropped it in favor of the polyvalent variety.

Inside

If the Arrow Dies, Who Dies With It?

A cabinet decision on the CF-105 program must come within eight weeks. Here's what will happen to our economy if the big jet is doomed ..... p. 23.

Now's the Time to Buy Your Swim Pool

It may be chilly, but the price is right. Some pool dealers are cutting prices to get winter business. Your chance to catch up with the Joneses in the booming backyard pool fad ..... p. 19.

Truckers Track Down Fuel Cheats

Dishonest truck drivers can steal up to $3,000 a year by padding fuel bills. But a new meter on the Canadian market may knock the bottom out of this racket ..... p. 27.

Want a Home Fireplace for $325?

This Canadian company is marketing a nonmasonry fireplace, which burns wood or coal, virtually ready to light up. What's New ..... p. 18.

Music, Color and Your Production

Music and color can increase your company's output and efficiency, but you better know how to handle these tricky boosters ..... p. 25.

How Much Recession?

The Outlook

An FP roundup of the latest facts and expert opinion on the economic weather ahead . . .

By DALTON ROBERTSON

Signs of a comeback in manufacturing—the sector of the Canadian economy hardest hit by recession—are beginning to appear. Evidence is still on the slight side, but:

• New orders booked by manufacturers during July ran 3% above those taken in June—in sharp contrast to the June-July pattern in each of the past six years when declines were the rule.

• New bookings at $1,859 million also topped those of a year earlier by 4%—first year-to-year gain in several months.

• Shipments from Canadian factories were only a hair-breadth lower than in July last year and for the first time in six months were actually smaller than the new orders coming in.

But total inventory holdings are still on their nine-month-long downslide. And until unfilled orders begin piling up at a faster rate than they are today, continued inventory liquidation is likely to hold gains on the production and employment front to a minimum.

Taking into account seasonal factors, total industrial production has just barely held its own over the late spring and summer months—although, granted, it has snapped back from the recession lows touched during the winter.

If the July increase in new orders at the factory level is in fact the shape of things to come, businessmen would have a more realistic basis for expecting solid recovery during the fall months.

However, there's one development which could put a real damper on business recovery: Widespread strikes.

Likelihood of a strike looms over the auto industry just as the delta-winged Buick—first of the 1959 models released—appears to tempt consumers who turned in a reluctant show in 1958.

And labor trouble involving some 250,000 workers still dogs these industries: Steel, beer, nickel, oil, railways, pulp and paper, shipbuilding and shipping. (See p. 10.)

• • •

Today's business climate is betwixt-and-between. It provides indicators for those who expect that, at best, recovery is going to be slow and drawn out. It also gives grounds for a more rapid revival.

The slow-recovery school expects only moderate going for

(Continued on page 8, col. 2)

Hole in Iron Curtain And It's Getting Big

By LEONARD BERTIN
Science Editor

GENEVA (Staff) — There's a hole in the Iron Curtain.

And it's going to get bigger and bigger.

That's the wonderful news from the Second International Conference on the Peaceful Uses of Atomic Energy held here.

This one meeting of 5,000 atomic scientists and engineers from 68 countries has done more to overcome political barriers than all the summit conferences, undiplomatic notes and stillborn sessions of the United Nations since the end of World War II.

From now on, or so it seems at present, we can look forward to open scientific co-operation between the nations of the world, whatever their political creeds, such has never been realized since the Bolshevik revolution of 1917.

It's true that this great victory of common sense did not start here in this meeting.

It began, probably, within the International Council of Scientific Unions and through the International Geophysical Year.

By 1954, when the IGY committee, which last year gathered in Toronto, was first joined by the Russians at their meeting in Rome, one could have said that the seed was already well rooted.

That meeting made firm plans for the IGY, the greatest single international scientific effort in history.

It brought the proposal for the establishment of artificial earth satellites that would fly freely over all countries and know no national frontiers.

It's true that the people who put forward the satellite idea thought the first of them would be U. S.

It's doubtful if they ever imagined that the Russians would be able to set up a great self-contained city in Antarctica and would soon be sending oceanographic survey vessels all over the globe.

These were all lessons, however, that played their own part in creating a great new mutual scientific respect for each other.

The Soviet atom bomb help-

(Continued on page 10, col. 3)

BULLISH TREND

Copper Surge: Strikes Slash World Supplies

Labor strife hits Africa's copper belt. Like trouble sparked the '55-'56 copper bull market . . .

By RAY MAGLADRY

Developments in world copper markets are pointing the way to a possible new upward push for the key metal.

Prices of leading Canadian copper issues jumped this week —many to near 1958 highs—in a sharp burst of optimism.

Background of this strength:

• A 4,000-man labor strike in the big copperbelt of Northern Rhodesia, a similar development to one that sparked the 1955-56 copper bull market.

• Statistics for August show another reduction in world copper stocks, several encouraging spots in the key U. S. stock and output position.

At mid-week, the U. S. primary producer price remained steady at 26½c lb., 1½c above the 1958 low.

But London prices had strengthened with reports of continued bullishness among traders and U. S. custom smelters were rumored to be ready to move their quotation upward from 26¼c lb.

In Canada, **International Nickel Co.** has boosted its price from 24¾c to 25½c lb., bringing it in line with **Noranda's** price. The split quote for Canadian copper developed about two weeks ago.

Underlying the market too is the possibility of Russian buy-

(Continued on page 8, col. 4)

Dutch Car On the Way: Price $1,050

By JOHN IRWIN

Look for a new competitor in the small car market next year.

A Dutch firm is starting production of a two-door car, known as DAF, with two-cylinder, 22 hp engine. Has automatic transmission. Seats four.

Cost, with heater, $1,050, delivered Toronto.

The manufacturers, **Van Doorne's Automobielfabriek N.V.** at Eindhoven, have sights set at World markets, particularly Canada and the U. S.

It's first car made in the Netherlands for 50 years, but Van Doorne's have made transport trucks, other commercial vehicles and military trucks for many years.

See Bigger Crop Markets In Rain-Hit U.K., Europe

By DONALD R. GORDON

LONDON, Eng. — It's a few weeks too early to be absolutely certain.

But barring a miraculous change, Canadian farmers and farm produce exporters can count on bigger-than-usual markets in Britain and Europe this crop year.

The reason: Rain.

Particularly in the U. K. France, Germany and Poland, rainfall during the year has averaged close to twice normal levels.

In farming districts, it sparked optimistic forecasts of bumper crops at the beginning of the growing season, but has since spelled possible disaster.

British farmers now estimate that barely 10% of the nation's grains had been harvested by the end of the first week of September, the cut-off point where usual crop years are wrapped up.

In the rich farming districts of East Anglia, the ground is too soggy to hold combines, and sodden stands may not dry out in time for harvest at all this year.

Last year, Canada supplied some 2,452,000 tons of wheat and flour to U. K. markets alone, by far the largest (39%) import total listed.

With home production making up another 1,338,000 tons in normal years, this season's prospects of increased sales run from a conservatively estimated 500,000 tons to a more likely 750,000.

An important factor:

British dollar reserves are fatter than usual this year too, allowing for a needed increase in purchases from Canada.

In addition, reports now indicate a high protein content of the Canadian crop, while British production is of even lower quality than usual.

British millers say they'll

(Continued on page 8, col. 6)

Watch Peace River Power: Wenner-Gren Moving Soon

By FP STAFF WRITER

Wenner-Gren B.C. Development Co. may move soon to develop the huge hydro power potential in the Peace River district of northern British Columbia.

Company officials have refused to disclose plans, but **FP** understands that:

• A definite decision has been made to go on with the first stages of the giant hydro development program right away.

• Arrangements to this effect have just been completed with the B. C. government.

Early cost estimates of the power development varied between $400 million and $600 million.

The hydro program is an integral part of a huge combined multi-million dollar resources development program for northern B. C. by Wenner-Gren interests.

Besides power, the program envisages possible construction of several pulp and paper mills, opening up of mining properties and construction of a railway into the area.

But the power project—which would take several years to complete—has been given top priority in the over-all program.

The survey into the feasibility of the power project being carried out this summer by the **British Thomson Houston Co. (Canada)** is far ahead of schedule.

FP understands the summer survey makes the power project look better than ever.

UNIVERSITY COURSE
IN
PERSONNEL ADMINISTRATION
AT
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October 27th to November 8th, 1958
Sponsored by the University of Alberta and the Alberta Personnel Associations
Topics: Labour Relations, Personnel Policy, Management Development, Human Relations, Communications, Organization and Management
Write: Executive Director,
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HUNTING ASSOCIATES LIMITED

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TORONTO, ONTARIO

by 1960...

. . . rubber authorities estimate that the world will be drawing more than half its total new rubber needs from synthetic sources. Synthetic plants already supply more than half the new rubber used in North America. Other world markets are fast moving in the same direction. Western Europe alone increased its ratio of synthetic to total consumption from 20% in 1957 to an estimated 28% this year. By 1980 estimates place world wide synthetic rubber consumption at 61.3 per cent of total. A major source of world supply is Polymer Corporation, whose 24 types of synthetic rubbers reach world markets through distributors in 30 countries.

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Trend of Business

Retail sales higher in July. After a slight decline in June, the first this year, sales of Canadian retailers in July chalked up a 2.5% gain over same month last year to total $1,253 million. This brought seven-month sales up 2.3% to $8,463 million. All provinces except British Columbia had larger sales than a year earlier both in July and the cumulative period.

These were retail gains by trades in July: grocery and combination stores, 7.2% (8% in January-July period); department stores, 6.2% (4.2%); variety stores, 7.5% (6.4%); men's clothing, 5% (0.1%); women's clothing, 5% (4.1%); shoe stores, 7.7% (6.8%); lumber and building material dealers, 7.2% (7.5%); and drugstores, 4.2% (5.9%). Sales of fuel dealers were down 10.6% (6%), and restaurant sales 2.6% (0.8%).

Cheque cashings up 3.2% in July, reflecting a quickened pace in personal and business spending. Month's total of $19,766 million was more than $600 million higher than a year ago and raised the January-July value 4.1% to $128,221 million. Debits were larger in July and the seven months in Ontario and the Prairie Provinces, but smaller in British Columbia.

Manufacturers' shipments maintain high level of last year. Goods delivered in July were valued at $1,850 million, 2% below the previous month's total of $1,878 million, but only marginally lower than the July 1957 total of $1,854 million. Decreases between June and July have been general in the six preceding years. Seven-month shipments were valued at $12,487 million, 3% lower than last year's $12,981 million.

Value of inventory owned by manufacturers at the end of July at $4,078 million was 1.1% lower than at the end of the previous month. June-July changes have been mixed in recent years. This year's July value was $240.4 million, or 5.6% below that for July 1957.

Upswing in new orders in July brought total value to $1,859 million, 3% ahead of new June orders and 4% higher than the value a year ago. In the preceding six years, new orders generally decreased in July except in 1957 when a fractional increase occurred. New orders were $9.2 million greater than shipments during July, increasing total unfilled orders at the end of the month to $2,282 million.

Carloading decline steepens in August. Last month's loadings of 323,284 cars was 12.7% below the same period a year ago and significantly lower than the 7.7% average decline registered since the beginning of the year. Moving in reduced volumes during the month were wheat, coal, iron ore, nonferrous ores, iron and steel products, pulpwood, automobiles, trucks and parts. Loadings of lumber, timber, plywood, sand, gravel and crushed stone were larger.

Canadian airways carry fewer passengers, less cargo. Number of revenue passengers flown in March eased 0.6% to 284.137 and cargo volume dropped 18% to 22 million lb. This reduced operating revenues by 4% to $14.2 million, while operating expenses rose 3% to $15.3 million. Month's deficit was $1,077,413 vs. $64,624 a year earlier.

Hen census reveals more birds this year than last. Poultry population on Canadian farms in June totaled 82.6 million birds, up 7% from a year ago. Reflects increased sales of eggs and growing popularity of chicken as an everyday food.

Lots of fizz in pop business. Production of carbonated beverages in August rose 11.1% to 15.6 million gal. from 14.1 million gal. produced a year ago.

Major Weekly Indicators

	Latest Date or Week Ended		Previous Week	Previous Month	Year Ago
Department store sales, % change from year earlier	(Sept. 6)	+3.0%	+6.8%	+5.1%	+5.2%
Carloading totals	(Aug. 31)	*98,459	76,678	*123,454	*121,840
Eastern Canada	(Aug. 31)	*66,163	49,588	*78,062	*82,377
Western Canada	(Aug. 31)	*32,296	27,090	*45,392	*39,463
Iron and steel mrg.	(Aug. 31)	*1,323	987	*1,520	*2,325
Ores, concentrates	(Aug. 31)	*12,242	9,957	*14,924	*17,575
Base metals	(Aug. 31)	*850	614	*925	*763
Lumber, timber, plywood	(Aug. 31)	*6,697	5,169	*7,588	*6,015
Cement	(Aug. 31)	*1,187	903	*1,465	*1,701
Passenger car production	(Sept. 13)	833	550	2,097	1,698
Truck production	(Sept. 13)	308	510	973	1,012
Chartered Banks					
Personal savings ($ millions)	(Sept. 3)	6,999	6,942	6,878	6,299
Loans outstand'g ($ millions)	(Sept. 3)	5,131	5,121	5,249	5,494
NHA mtg. hold'gs. ($ millions)	(Sept. 3)	688	682	664	518
Bank of Canada holdings of					
Securities ($ millions)	(Sept. 10)	2,695	2,713	2,746	2,499
Short-term govt. ($ millions)	(Sept. 10)	1,382	1,422	1,535	1,279
Long-term govt. ($ millions)	(Sept. 10)	1,217	1,196	1,099	1,168
Other securities ($ millions)	(Sept. 10)	46	46	64	17
Bank Clearings:					
Montreal ($ millions)	(Sept. 11)	854	914	671	726
Toronto ($ millions)	(Sept. 11)	1,227	1,131	945	918
Cdn. dollar (U.S. cents, av.)	(Sept. 12)	102.066	102.473	103.984	104.391
T.S.E. industrial index	(Sept. 16)	485.23	480.04	467.94	438.81
Yield 114 stocks	(Sept. 15)	4.39%	4.38%	4.47%	5.27%
Bus. fail. 4-wk. moving av. (no.)	(Sept. 4)	18.5	19.2	25.2	22.5
Steel ingot production (tons)	(Sept. 6)	43,197	47,481	82,113	N/A
% of capacity	(Sept. 6)	38.0%	41.7%	72.2%	N/A

*—10-day end-of-month period.

Facts by the Month

	Latest Month		One Month Previous	Two Months Previous	One Year Previous
WHAT WE PRODUCE—					
In all Industries (Index)*	June	293.9	281.5	276.4	297.1
In factories (Index)	June	291.6	279.8	272.2	296.2
Total nondurable goods (Index)	June	260.2	246.6	242.5	263.3
Food & bev.	June	269.2	254.7	242.7	280.6
Textiles	June	159.2	152.2	137.9	180.5
Clothing	June	144.7	147.1	153.1	143.9
Chemical products	June	322.6	320.8	322.9	320.5
Total durable goods (Index)	June	340.6	331.7	319.8	347.7
Iron & steel products	June	291.8	288.9	282.4	332.3
Primary iron & steel	June	387.5	372.7	370.7	407.7
From mines (Index)	June	305.6	279.7	269.3	307.1
Metals	June	201.2	179.5	179.8	167.8
Nonferrous smelting, refining	June	285.3	263.4	290.5	215.7
Gold	June	110.1	106.3	114.3	103.7
—From farms					
*Cattle delivered (000)	July	141	176	137	153
*Hogs graded (000)	July	375	495	415	318
Flour	June	145.5	152.0	158.7	120.0
—From sea					
East Coast catch ($000)	July	3,619	5,755	6,675	3,275
W. Coast catch ($000)	June	3,476	2,221	600	2,610
—From forests					
Newsprint (000 tons)	July	508	482	548	549
Pulp (000 tons)	July	792	796	883	848
—In powerhouses					
Electricity (million kwh.)	July	7,671	7,463	7,961	7,099
WHAT WE SELL—					
*Retail sales ($ millions)	July	1,253	1,267	1,373	1,222
Dept. store sales ($ millions)	July	89.3	99.9	113.0	84.4
Wholesale sales ($ millions)	June	712	732	643	679
*Mfrs. outstg. orders ($ millions)	July	2,282	2,273	2,342	2,749
*Pass. car sales (units)	July	34,978	38,770	39,797	35,593
WHAT'S ON HAND—					
*Mfrs. inventories ($ millions)	July	4,587	4,631	4,663	4,793
Dept. store stock sales ratio	July	3.4	2.7	2.8	3.6
SPENDING, SAVING POWER—					
Labor income ($ millions)	June	1,350	1,312	1,261	1,322
Dividend payts. (Index) (annual rate)	Sept.	309.6	309.3	308.8	326.7
JOBS—					
Persons with jobs (000)	July	5,934	5,794	5,665	5,949
Jobless seeking work (000)	July	286	320	366	163
Do. (% of labor forces)	July	4.6	5.2	6.1	2.7
CONSTRUCTION—					
Contract awards ($ millions)	June	388	345	315	342
FOREIGN TRADE—					
*Exports ($ millions)	July	413	420	476	438
Imports ($ millions)	July	485	449	427	554
MONEY—					
Money supply ($ millions)	June	12,192	11,962	11,870	11,313
*Cheques cashed ($ millions)	July	19,766	19,710	20,587	19,160
*Life insurance sales ($ millions)	July	533	467	432	522
*Notice deposits	July	7,276	7,151	7,053	6,666
*Current public loans ($ millions)	June	5,157	5,244	5,247	5,467
PRICES—					
Consumer price (Index)	Aug.	125.3	124.7	125.1	122.6
Wholesale price (Index)	Aug.	227.6	227.0	227.4	226.8

*Total deposits, less Govt. of Canada deposits, less float, plus notes in circulation outside the banking system.

STRATEGIC MATERIALS—Production and Supply—

	Latest Month	Month yr. ago	Yr. to date	% chge. yr. to date
Steel ingots and castings (000 tons)	June	403.3	427.9	2,385.0	—11.0
Nickel (000 tons)	June	14.6	15.4	93.4	—2.0
Primary copper (000 tons)	June	29.8	26.9	192.7	+14.8
*Lumber exports (millions fbm.)	June	327.2	327.5	1,718.7	+2.3
*Lumber (millions fbm.)	June	777.9	726.3	3,539.9	+1.5

Index based: production 1935-39=100; consumer price index 1949=100; wholesale price index 1935-39=100.
*New item this week.

Date of issue for your file, The Financial Post, Sept. 20, 1958.

Look For It Here

September 20, 1958

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Grain Piles Up In Saskatchewan

From Our Own Correspondent

SASKATOON — Grain storage problems in Saskatchewan have reached the critical stage.

Grain is starting to pile up on farms from this year's harvest; elevators are becoming plugged.

One of the basic reasons for the trouble is the strike of longshoremen in B. C.

Grain shipments through West Coast ports have been stopped, and Churchill and the East can't take all that can be delivered.

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Labor Peace For Lake Ships?

MONTREAL (Staff) — Labor peace may be coming for lakes shipping.

A settlement at midweek involving two companies — **Upper Lakes and St. Lawrence** and **N. M. Paterson and Sons** — and Seafarers' International Union may be extended quickly to other companies on the lakes.

The reported pattern of settlement: 5% wage hike retroactive to June and another 5% next year.

This temporarily may take the heat off hard pressed ship-owners.

But still to be decided is the larger question of whether Canadian ships on the lakes — with their high wages — can survive either in coastal or in national trade against British and other shipping once the Seaway opens next year.

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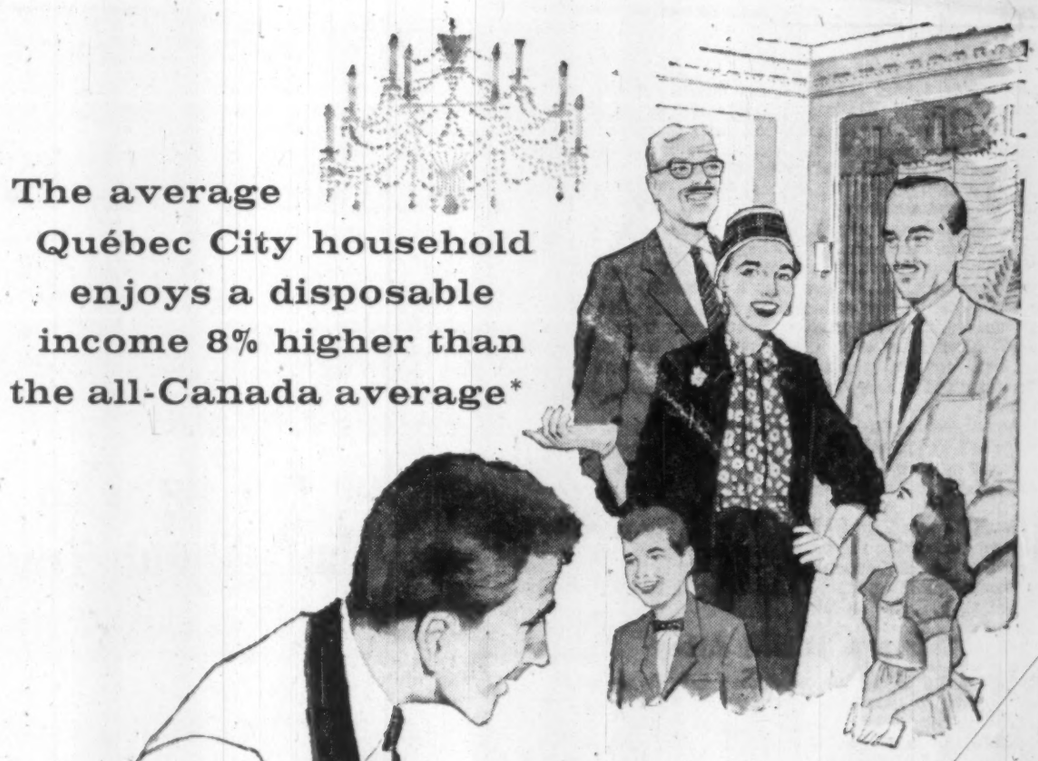

With a disposable income of $5,273, the average Québec City family can well afford the luxury of an "evening out". Like any modern city, Québec boasts the finest of restaurants. And no one enjoys their excellent cuisine more than the prosperous French-Canadian and his family. So when you plan the best investment for your advertising dollars, don't overlook the major metropolitan zone of Québec City.

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LE SOLEIL
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Commonwealth Conference

Real Progress May Yet Emerge From Much Talk

By MICHAEL BARKWAY

MONTREAL (Staff) — The Commonwealth Trade and Economic Conference which started its meetings in the Queen Elizabeth Hotel here last Monday did not take long to develop signs of having a life of its own.

By the week-end, its sense of direction and purpose should have become more apparent to the delegates at least, even if the public does not see much of them.

If it has not developed some energy and spirit (page Mr. Fleming) of its own by then, the final results at the end of next week will really be as meagre as they are liable to sound.

Even in the first few days, one or two exciting possibilities were in the air, but whether they would come to fruition no one could tell.

This is utterly unlike the international meetings for which it is usual to prepare a communique in advance. If a communique had been prepared in advance for this conference, it could only have been verbiage.

It would have sounded about as pointless as the "agenda" for this present meeting, which had been kept ever so secret through a whole series of preparatory meetings of Commonwealth officials and whole files of intergovernmental notes and memoranda.

Anyone who asked about the agenda last week got a supercilious look and a reply which made it sound as though he was trying to sell dirty postcards or offering a bribe to an official to break the Official Secrets Act.

"There will be no approved agenda," the enquirer was told "until it has been approved by the ministers at Montreal."

Well, the ministers finally approved it. It was mimeographed and marked with a release time, and Finance Minister Fleming made his first appearance at the twice-daily press conferences in order to "explain" it.

Believe it or not, the precious document thus officially presented to a panting public was (except for one point) identical with the seven-point list of subjects agreed at the end of the Mont Tremblant conference last year, and given in last week's FP.

It started with:—

"1. The significance of changes taking place in world trade."

Mr. Fleming's "explanation" of the new agenda included a suggestion that the debate on this item "might be curtailed." But instead of getting on with the real business, the conference at midweek went through the form of launching a debate on item 1, "the significance, etc., etc."

The one addition to the Mont Tremblant list of seven points was even vaguer than the original seven.

The eighth item added to the conference agenda, after dear conference agenda read as follows: **"sterling area progress."**

Already the day before, the Chancellor of the Exchequer, Mr. Heathcoat Amory, had started off the private sessions with a long statement chiefly devoted to the merits, necessities and recent high standing of the pound sterling.

The background to Mr. Fleming's exhortation to the British about nondiscrimination and convertibility was one of irritation.

Canada has plugged for getting rid of sterling restrictions on foreign exchange and dollar imports consistently, and quite properly. As one British minister remarked: "Naturally; it's a Canadian interest."

But there was never any possibility of immediate action by London, and the British were a little riled. In turn the opening speech by Mr. Heathcoat Amory riled the Canadians a bit.

The line Mr. Heathcoat Amory elaborated, with his characteristic calm and patience, started with the Commonwealth conference in London near the end of 1952, and said that the aims declared then had been followed consistently ever since.

This was somewhat disingenuous, for the 1952 conference — commonly known as the "convertibility conference" — was sparked by R. A. Butler, then Chancellor of the Exchequer, and set on his dream of "going convertible" with a floating rate for sterling.

The conference evolved what was called "the collective approach" (to what? to convertibility, of course). And soon after Mr. Eisenhower took office next year Mr. Butler led a powerful delegation to Washington to try to enlist his encouragement and support.

Washington was even more disinterested then than it is now.

Mr. Amory, however, presented his view of developments since then and portrayed them as a steadily rising road. 1952 set the objectives, he said. U. K. had followed them faithfully ever since, and would go on following them.

Convertibility and no-discrimination, he said, remained the aims of U. K. policy. Advice from its partners was, of course, always welcome. But the United Kingdom was responsible for the pound, and it alone could judge the proper pace of advance.

Mr. Fleming's speech may have conveyed some of the irritation this caused. Or it may just have been the blunt, almost pugnacious delivery which MPs know so well.

He certainly laid it right on the line; and he offended some of the British delegation. But not the Chancellor of the Exchequer, placid, patient bachelor as he is.

Mr. Amory quietly admitted that there was sense in the Canadian case; and the reply was intended to show that the U. K. Government knew it.

All along the U. K. Treasury has declared that it is flexible and not doctrinaire about all this. It is especially conscious, for example, that it has no logical defence for admitting German goods and keeping out North American goods. So Mr. Amory tried to make a gesture to Canada. In any case he meant to show that the question was not closed.

But right now "gradual" relaxation is still the order of the day; and the U. K. Government still means to set its own pace.

After considerable experience it knows how difficult it is to judge how many dollars it may lose from any particular relaxation: it's even harder to guess the effect of ending quotas completely and letting British residents change their pounds into dollars as they like. And not only U. K. residents.

If the pound is really to be fully convertible, as Canada would like, then residents anywhere in the sterling area can rush out and buy Canadian or American goods. And that is a plunge into deeper water than either U. K. or the other countries of the sterling Commonwealth feel like taking just now.

Now here is a topic-by-topic report on how things are working out. It is arranged according to the main topics listed on page 3 of last week's FP, not on the Mont Tremblant communique of last year, nor its minor revision here.

1. How to strengthen non-dollar currencies. Most of the Commonwealth countries made it clear that they were looking to the world outside the Commonwealth, as well as to this gathering of the Commonwealth, for solutions to most of the big problems.

The Indian finance minister, Mr. Desai, amongst others, was most emphatic about it; and there were many warm words of welcome for Mr. Eisenhower's proposal about raising the quotas of the International Monetary Fund so that it can provide more impressive backing for soft currencies.

It is now learned that the British government which was

(Continued on page 11)

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Canadian Pacific

Business Across Canada

How's business? That's the big question right across the land.

This FP monthly feature helps to answer it for businessmen everywhere, by comparisons for representative cities coast-to-coast.

This table shows figures for June, latest complete month available. Despite the time lag, the comparisons are valuable indicators of each area's general business health.

Cities	Average Weekly† Wages and Salaries $	Comparison June '58-June '57 Average Weekly Wages and Salaries % Change	Employment Indexes % Change	Consumer Price Indexes % Change
St. John's	51.47	+1.8	—0.4	+2.6
Halifax	56.70	+3.7	—6.2	+2.8
Saint John	53.77	+2.9	—2.0	+2.4
Quebec	58.61	+5.5	—0.4	...
Sherbrooke	57.10	+3.0	—10.7	...
Trois Rivieres	64.52	+2.5	—5.9	...
Montreal	69.51	+4.3	—3.5	+3.0
Ottawa-Hull	64.34	+4.8	—1.4	+1.8*
St. Catharines	81.83	+4.4	—11.6	...
Toronto	74.22	+4.5	—1.4	+2.9
Hamilton	77.88	+3.2	—5.1	...
Brantford	67.36	+6.4	—0.1	...
Kitchener	66.17	+2.4	—2.6	...
London	66.73	+4.8	—0.1	...
Windsor	78.97	+12.4	—21.2	...
Ft. William-Pt. Arthur	72.91	+3.8	—1.6	...
Winnipeg	63.83	+5.8	—1.4	+3.1
Regina	64.51	+2.1	+1.1	+2.9†
Saskatoon	63.48	+6.2	+5.6	...
Edmonton	67.79	+4.3	—0.2	+3.0†
Calgary	68.44	+4.7	—2.3	...
Vancouver	74.41	+3.9	—5.9	+3.0
Victoria	70.22	+7.0	—4.7	...

Notes: (1) Industrial Composite at the beginning of month.
(2) *Ottawa only.
(3) †Joint indexes for Regina-Saskatoon and Edmonton-Calgary.
(4) Blanks indicate figures not available.
(5) Sources DBS reports.

Alberta Sets Precedent Refuses Gas Export Bids

In turning down the two big gas export bids of **Alberta & Southern Gas Co.** and **Westcoast Transmission Co.** the Alberta Oil and Gas Conservation Board has held firmly to a policy of basing decisions on proven reserves only.

It has long been a contention of several of the major gas and pipeline companies that expected reserves should figure partly in any major decisions on export policy.

On the basis of the estimated proven 23.3 trillion cu. ft. of gas in Alberta (last March estimate) the board estimates that there is only 4.1 trillion ft. surplus to the present and future gas requirements of Alberta and Canada as a whole.

But the two companies seeking export permits asked for a total of 5.5 trillion cu. ft. (Alberta & Southern Gas, 4.2 trillion over the next 25 years; Westcoast 1.3 trillion).

The board stated that if the combined export bids were lowered to within the present surplus reserve it would "be prepared to issue a permit or permits, subject to suitable terms and conditions, to one or both of the applicants."

Westcoast Transmission announced almost immediately that it will submit an amended application to the board soon. Alberta & Southern officials said the board's lengthy report was being given full study before a statement would be issued.

The board's report commented in dealing with **Trans-Canada Pipe Lines** gas requirements that the firm's estimate of Canada's needs concur with those of the board's figures.

Gas reserves totaling 11.3 trillion cu. ft. are necessary to meet Alberta's needs for the next 30 years, the board claimed.

Present export commitments, mainly held by Trans-Canada, will take another 5.7 trillion cu. ft.

An additional 4.5 t.c.f. is required as a protective cushion, it was said.

Alberta & Southern had applied for a permit to export 4.2 trillion cu. ft. of gas over the next 25 years to the California and Montana markets.

Westcoast's application was for a permit to export 1.3 t.c.f. of gas to the U. S. Pacific Northwest. Westcoast is already serving parts of B.C. and northern Alberta and the Pacific Northwest states via a pipeline from the Peace River area down to the U. S. border.

The companies have until Dec. 31, 1958, to pare their bids for gas to within the estimated surplus.

Edmonton Firms Seek Shopping Hours Change

From Our Own Correspondent

EDMONTON—A proposed six-day week for retail stores in Edmonton is under study by the by-laws committee of the city council.

Recently, the council received a letter from the **Hudson's Bay Co.** urging that stores be allowed to remain open six days a week, from 9 am to 6 pm and in addition, Thursday, from 6 pm to 9 pm.

The **T. Eaton Co. Canada** also plans to take a stand on the matter. It has told council it would like to make a submission before the matter is dealt with.

Under the present early closing by-law, stores remain open 5½ days a week, closing Wednesday afternoons. Shopping is permitted until 9 pm Thursdays.

Under $5,000 Income Keeping 89% in College

University education mostly for children of well-to-do parents?

Those days are gone, reports the University of Sherbrooke.

Nearly nine of 10 students of Sherbrooke's 1,068 total enrolment during the 1957-58 term came from families whose estimated annual income was under $5,000.

The U. of S. survey showed that:

- **42% of its students came from families earning under $3,500,** headed mostly by day laborers, farmers, pensioners, invalids — and 50 widows.
- **47% came from families earning between $3,500** and $5,000.
- **11% came from families with incomes** over $5,000.

School for Car Repairers And Men Who Pay the Bill

Winnipeg plan aims to find accurate way to assess auto crash damages . . .

From Our Own Correspondent

WINNIPEG — Insurance adjustors and auto repairmen are getting together to set up a school — probably the first of its kind in Canada.

Their aim: Courses to establish accurate procedures for estimating property damage caused by auto crashes.

Sponsors of the plan are hopeful it may be taken up in other provinces to get uniform procedures in assessing car collision damage.

Sponsored by the Manitoba Automotive Trades Association and the Insurance Adjustors Association, the school will offer a formal series of courses of one lecture a week for 10 weeks at the Manitoba Department of Education's Technical Institute.

Primarily the purpose of the school to get uniformity in estimating work — as far as this is possible — and to get a basis of agreement between those who do the repair work and those who foot the bills.

First course is slated to start Oct. 6 and the class will be limited to 20 insurance adjustors, not more than two from each company.

Representatives of auto repair firms — of which there are 75 in Greater Winnipeg and some 40 elsewhere in the province — may also attend.

Second course will start Oct. 9 and a third may begin in 1959 if current classes cannot take all registrations.

In other provinces where insurance adjustment is a big business, classes have not been held in this particular manner.

However, in Ontario, for example, most insurance companies train adjustors through booklets and courses provided by the Insurance Institute of Ontario, by hiring well-trained repairmen to lecture and/or by sending adjustors to formal schools in the Northeastern U. S.

Adjustors in Ontario are also required to pass two examinations by the Department of Insurance before obtaining their final adjustor's license.

Sponsors of the Manitoba course say there is frequently a conflict of opinion between adjustors and repairmen about the exact extent of collision damage and the fair cost of repairing it.

This has helped pile up progressively bigger claims from insurance companies, state the insurance sponsors. In 1956, they paid out claims amounting to $3.2 million and in 1957 $3.8 million.

Player's Please

THE MILDEST BEST-TASTING CIGARETTE

Expect $3.5 Million Offering Of Maritime Telegraph Bonds

MONTREAL (Staff) — An issue of $3.5 million 5¼% first mortgage bonds, Series J, of **Maritime Telegraph & Telephone Co.**, Halifax, is expected to be offered next week by a syndicate headed by **W. C. Pitfield & Co.** and **Wood, Gundy & Co.**

Price is expected to be par. A large proportion of the issue will be offered through a syndicate of Eastern Canadian dealers.

. Proceeds are for repayment of bank overdraft of $350,000 and to reimburse company for capital expenditures already made.

This year company plans to spend to $7.3 million on capital projects compared with $6.1 million in the previous year.

For the seven months ended July 31, 1958, net profit was $1,086,997, compared with $1,812,099 in full year 1957. On July 31, 110,147 telephones were in service, compared with 107,379 Dec. 31, 1957.

Bonds are not callable for refunding purposes until Sept. 15, 1968. They are callable at a premium of 5% to Sept. 15, 1959, the premium decreasing by ¼ of 1% annually to Sept. 15, 1977, and thereafter at par.

After the financing, outstanding capitalization will comprise $20 million in seven series of first mortgage bonds; $1.5 million, 7% cumulative preferred stock ($10 par); and $16,666,890 common stock ($10 par).

Abitibi Forms Panelboard Unit

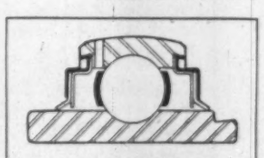
Establishment of a panelboard division of **Abitibi Power & Paper Co.** was announced this week by President D. W. Ambridge.

R. E. Costello has been named general manager, appointed to the management committee, and given responsibility for the entire operation of the panelboard division.

He was formerly manager of manufacturing (pulp and board).

(See also pp. 56, 74 and 79).

PLYA-SEALS* in new FAFNIR RAK BEARINGS shut out dirt even at very slow speeds



*PLYA-SEAL shown in this cross-section consists of a synthetic, rubber impregnated, sealing washer, sandwiched between two "dished" steel plates. Outside pressure from contaminants increases the seal's effectiveness as the flared lip tightens against its contact surface and against the innermost supporting plate.

New Fafnir RAK type pillow blocks incorporating Wide Inner Ring Bearings with Plya-Seals are *specially* designed for dirty operating conditions.

The contact type Plya-Seals offer many outstanding advantages: they effectively seal out contaminants at low speeds, while retaining their grease supply. Close clearance between inner supporting seal member and outside diameter of inner ring keeps seal from pushing in.

RAK Pillow Blocks with Plya-Seal Wide Inner Ring Bearings are dimensionally interchangeable with the famous Fafnir LAK Mechanical-Seal type pillow blocks available in popular shaft sizes from ½" to 2-15/16"; feature the exclusive Fafnir Self-Locking Collar which eliminates the need for lock nuts, washers, shoulders, sleeves and adapters.

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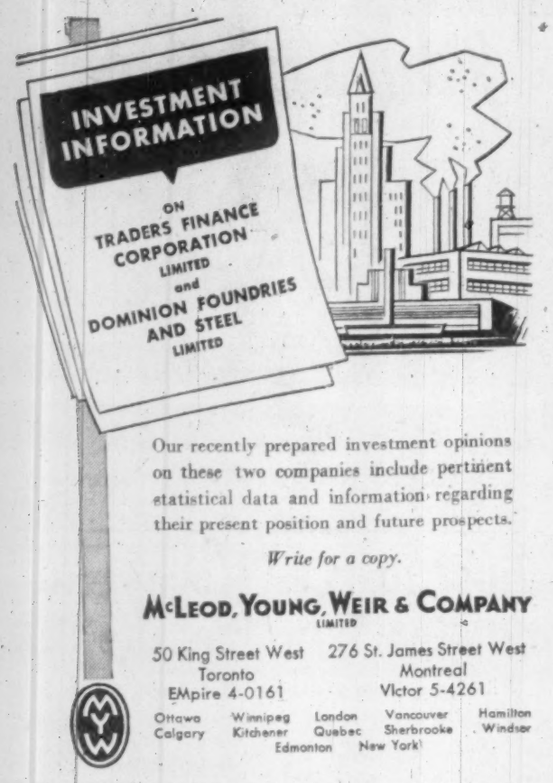

Our recently prepared investment opinions on these two companies include pertinent statistical data and information regarding their present position and future prospects.

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ANNOUNCEMENT

Upjohn Appointment

L. J. HASKETT

The Upjohn Company of Canada announces the appointment of Mr. L. J. Haskett to the position of Vice-President and General Manager. Mr. Haskett, a graduate of The Ontario College of Pharmacy, joined the Company as a salesman in 1935.

DOME MINES gross output in August totaled $501,351 from 61,200 tons milled. This compares with production of $479,968 in July and $468,944 in August, 1957.

Union Carbide Integrates Plastic Sales

Union Carbide Canada Ltd., Toronto, is transferring to **Carbide Chemicals Co.** division marketing of its thermoplastic products.

This includes polyethylene and polystrene formerly sold by **Bakelite Co.** division, says F. P. Wilson, vice-president of Union Carbide.

The move integrates sales with the division responsible for manufacture.

"Bakelite" polyethylene will be marketed under the trade name "Union Carbide" polyethylene.

A. A. Allan, Jr., has been appointed sales manager plastics for Carbide Chemicals and W. S. Berry becomes sales manager of Bakelite.

PR CONFERENCE

The 1959 conference of the Canadian Public Relations Society will be held April 23-24 at the Royal York Hotel, Toronto. Approximately 40 members of the Public Relations Society of America have indicated they will attend.

SENIOR P.R. OPPORTUNITY

Bureau of Industrial Service (Canada) Limited — Public Relations subsidiary of Young & Rubicam, Ltd. — has an opening for a fully experienced Public Relations man. The man we want is strongly creative, with good organizing ability and a mature sense of responsibility — capable of initiating, planning and implementing major Public Relations programs for a variety of clients. This is an important and challenging position offering an attractive starting salary and sound future. Apply in writing with complete details of personal qualifications and job summary to:

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(Incorporated under the laws of Canada)

5¾% Sinking Fund Debentures, Series C

To be dated September 1, 1958 — To mature September 1, 1978

Principal and half-yearly interest (March 1 and September 1) and redemption premium, if any, payable in lawful money of Canada at any branch in Canada of the Company's bankers (far northern branches excepted.) Coupon Series C Debentures in denominations of $500 and $1,000 registrable as to principal only.

PRICE: 100 and accrued interest to yield 5.75%

It is expected that Series C Debentures in interim or definitive form will be available for delivery on or about September 19, 1958.

A prospectus, copy of which has been filed with the Secretary of State of Canada in accordance with the provisions of the Companies Act will be promptly furnished upon request.

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851A

Why They're Moving

Facts and comment on what's going on in the market and rumors behind some of the moves.

By FRANK KAPLAN

Harvest time on the Prairies turns mild investment interest to grain handling and milling companies.

Canada's wheat crop is expected to be about 9% lower this year but sales are improving. And prospects are for further improvement in sales as the traditionally-good quality of Canadian wheat is reported to be even better than usual.

Generally, milling and grain stocks are selling at about their highs for the year. They tend to reflect interest in food industry securities like chain stores and packers as well as outlook for grain crops.

	Latest Price	End Aug.	Mid Year	1958 High	1958 Low
	$	$	$	$	$
Maple Leaf	10⅜	10	8⅞	11	7½
Toronto Elevators	27	24½	22¼	27½	17
Ogilvie Flour	34	34	32½	34	26
Federal Grain	40⅜	38½	33	41	26

THE STREET IS TALKING ABOUT—the growing interest in lower-priced issues as a sign of broadening demand by the public. Also considered evidence of wider public interest is the large number of issues trading in individual sessions. In one recent week, some 850 of the slightly over 1,000 issues listed on the Toronto Stock Exchange showed transactions. Individual days have been running well over 600 issues.

One strong spot is **Canadian British Aluminium** which bumps ahead to a new high at $12 from around $9¾ recently. Farther down the price scale comes **Analogue Controls** which firms to a top of $4 and settles at $3.75, ahead from $2.75 recently.

Copp Clark, the publishing house that changed hands recently, edges ahead to $6 from $5¼. Two lower-priced finance companies are strong and active. **Imperial Investment A** at $13¾ is ahead from $12½. **Union Acceptance** at $9⅞ compares with $8.75 at the end of August.

* * *

General Steel Wares and **Easy Washing** are active in anticipation of takeover of Easy. GSW at $10 is well ahead from $8 at the end of August and has come up from a $5⅝ low for the year. Seldom-traded Easy Washing recently spurts slightly to a 1958 high of $10. Early in the year it sold at its low of $7.

Anticipated better-than-expected results for the current year despite lower business together with brighter outlook for next year boost interest in auto industry. **Goodyear**, supplying the tires, bumps ahead to $163½ from a recent $160 and **Ford A** at $97 compares with $95. Both are well up from their 1958 lows of $135 and $66½ respectively.

Mystery move in rarely-traded **Scarfe A**. Some 150 shares trade in a week hitting $8, ahead from $6½. **Dominion Stores** rebounds from recent declines. At $69 it is ahead from $65½.

* * *

OTHER MARKETS—Over-the-counter markets featured by continued strength in **Great-West Life** which spurts to $262 bid. The stock is up from a week-ago price of $245-$250, with buyers absorbing offerings quickly.

Manufacturers Life also picks up steam, climbing two points to $254-$256.

Gas and pipelines still in demand although the pace slackens off somewhat. **Westcoast Transmission** is mildly higher at $24¾-$25¼ and **Canadian Delhi** at $8¼-$8½ is up from around $7 two weeks ago.

Note

By Vincent Egan

The federal government won fairly general commendation among investment men this week for "clearing the air" with two major announcements of its financing intentions.

The forthright announcements—and a 1958 Canada savings bond, of a short-term refunding issue — contrasted sharply and favorably with the circumstances surrounding last July's introduction of the Conversion Loan.

At that time, the bond market went through four demoralizing weeks of uncertainty, unwilling to make major commitments between the time of the general announcement of capital requirements in the budget speech, and the later announcement of Conversion Loan terms.

Here is the news Finance Minister Fleming announced Tuesday:

—This year's Savings Bond will have a 3½% coupon in the first year, 4¼% in the remaining 14 years, thus yielding 4.19% to maturity (vs. 1957's 4.46% on a 13-year bond). Individual limit remains $10,000.

—To replace $400 million maturing in October and to raise new funds, the government is offering two open-end issues totaling $600 million. One, with a 2½% coupon, due July 1, 1959, is priced at 99.80 to yield 2.77%; the other, a 2¾% issue maturing April 1, 1960, is 99.70 yielding 2.96%.

* * *

Bank of Canada was supporting the 25-year 4½% conversion loan at 99¼, the 14-year 4¼% issue at 99½, and the 3¾% seven-year issue at par when trading restrictions were lifted Tuesday.

* * *

Offering of $30 million short-term debentures of **Montreal - Laurentian Autoroute Board** is expected to be made in Canada shortly. The board is building Canada's first toll highway from Montreal north into the Laurentian vacation area. Pending financing will cover about half the cost of the superhighway, now estimated at $60 million. This is up sharply from about $40-million originally planned.

* * *

Expected shortly is an offering of 100,000 5½% cumulative sinking fund preferred shares of **Québec Téléphone** by **Crédit Interprovincial Ltée.** and **Greenshields & Co.**, at par of $20. Common shareholders of record Sept. 30 will be given the right to buy one new common share at $22 for every 10 they hold. Recent price: $29½.

* * *

Saskatchewan has sold $10.8 million 5% 25-year bonds, dated Sept. 2, to various provincial government accounts such as the Workmen's Compensation Board and the Government Insurance Office. Proceeds go to the Saskatchewan Government Telephones . . . A new issue by **Ontario Hydro** is believed to be imminent. **British Columbia** and **Newfoundland** are also said to be contemplating financing.

Can Canadian Stocks Catch Up with U.S.?

Canadian investors were wondering this week if their stocks were going to catch fire in the same fashion as their U. S. counterparts.

The Dow Jones average of 30 U. S. industrials touched 527 Tuesday, four points above the previous highs of 523 reached in both 1956 and 1957.

On the same day, the Toronto Stock Exchange industrials closed at 485, still 4% below the record 506 hit in August, 1956 and four points below their 1957 high.

Montreal Stock Exchange industrials, at 282 were almost 14% below the record 332 reached in August, 1956.

"It's hard to tell it's a flaming bull market from where I sit," one broker told FP. Volume is up from what it was earlier in the year, but clients are not rushing in to buy.

"It's hard to remember a stock market climb of this order which involved less enthusiasm."

"You usually think of increased buying on margin in a rise of this nature," another broker commented.

"In our firm, margin loans are only 15% of what they were a year ago. And a year ago, they weren't high by previous yardsticks."

"It's hard to reconcile the rise with the business facts," an investment counsel said.

"If people think they can ignore price earnings ratios and yields forever because they expect inflation, they ought to consider the kind of investment climate inflation might bring."

He cited the experience in the U.K. last year. Stocks moved up in the early part of the year by about 15%, reducing the spread between stock and bond yields from 1% at the start of the climb to about ¼ of 1% at its end.

Then the U. K. government decided to clamp down hard on spending to help ease Britain's balance of payments problems.

It used a traditional weapon central banks use to halt inflation—a hike in the bank rate, in this case to 7%.

Immediately, stock averages fell 12%, didn't stop falling until they had fallen about 25% and the yield on stocks had risen to 2% above the yield on bonds.

Recently, the yield spread has returned to about 1% again and stock prices are at about the level they started at prior to the climb.

If inflation isn't the main threat, and the business recovery doesn't materialize in the manner expected, the government might have to return to easy money and pump priming. While this would mean the market might not have to face the experience of stringent U. K.-type monetary measures, it would indicate that the higher earnings and dividends the present bull market is expecting were much farther away than investors were counting on.

Reason why Canadian stocks haven't kept pace with the U. S. issues is related, **to some extent at least, to the nature of our most popular trading issues, investment men point out.**

Stocks hit their postwar peak in Canada when such industries as pulp and paper, aluminum, copper, nickel and oil were roaring ahead on the crest of increasing production, strong demand and high prices.

Prices of issues in these industries have recovered considerably from their 1957 lows. But it's too much to expect, even in a gay splurge of this type, for investors to pay the prices for these stocks that they paid back in 1956.

114 Stocks Yield Averages 4.39%

The average yield on 114 dividend-paying stocks on the Toronto Stock Exchange, as compiled by **Moss, Lawson & Co.**, on the prices of Sept. 15, was 4.39%, up .01 from the previous week. The current yield compares with 4.47% one month ago and 5.27% in the corresponding week last year.

Here is the yield by the various groups:

	Sept. 15 %	Week Ago %	Month Ago %	Year Ago %
Common	4.01	4.00	4.12	4.81
Pfd. & A	4.80	4.81	4.87	5.41
Mining	5.31	5.26	5.30	6.69
Banks	3.22	3.24	3.33	3.58

GSW Gains Majority Control, Plan Changes at Easy Washing

Changes in the directors and senior management of **Easy Washing Machine Co.** will be announced next week.

The changes will follow completion of an agreement between **General Steel Wares Ltd.** and certain shareholders of Easy, for the acquisition by GSW of a majority of outstanding Easy shares.

Terms are one npv common share of GSW treasury stock plus $1 cash, for each npv common share of Easy.

On completion of this transaction, GSW will offer to buy all other outstanding Easy common shares on the same terms.

A deal bringing together the two firms was predicted by FP last week (FP, Sept. 13).

At last report, there were 168,110 Easy shares outstanding. A prospectus issued at the time of 1955 financing noted that about 17% of Easy's 360 employees were shareholders, as were 75 of its dealers.

"It is anticipated that substantial benefits from this deal will accrue to the shareholders of both companies," GSW President W. F. Holding said.

If the GSW offer is accepted by all Easy shareholders, GSW would have to issue 168,110 of the 289,121 authorized but unissued shares in its treasury, in addition to $168,110 cash.

*** Here are financial highlights** of both companies:

	GSW	Easy
	$	$
Recent price	10	10
1958 High	10½	10½
1958 Low	3⅝	7
Net profit, 1957	500,317	192,452
Per share	0.92	0.85
Assets, end of 1957	19,168,601	3,321,173
Working capital	8,418,962	1,485,788
Com. shs. outstanding	310,879	168,110

Profits Here?

A regular listing of latest studies by investment firms.

CANADIAN PETROLEUM INDUSTRY — Merrill Lynch, Pierce, Fenner & Smith, 11 Adelaide St. W., Toronto.
PAGE-HERSEY TUBES — A. M. Kidder & Co., 304 Bay St., Toronto.
FALCONBRIDGE NICKEL — Merrill Lynch, Pierce, Fenner & Smith.
INTERPROVINCIAL PIPE LINE — McLeod, Young, Weir & Co., 50 King St. W., Toronto.
McCOLL FRONTENAC OIL—Merrill Lynch, Pierce, Fenner & Smith.
OIL/GAS & THE BORDEN COMMISSION—Wisener & Co., 73 King St. W., Toronto.
B.A. OIL — H. B. Housser & Co., 44 King St. W., Toronto.
CANADIAN GAS UTILITIES — Davidson & Co., 25 Adelaide St. W., Toronto.
ST. LAWRENCE CORP. — Merrill Lynch, Pierce, Fenner & Smith.
INDUSTRIAL ACCEPTANCE CORP. — Osler, Hammond & Nanton, Nanton Bldg., Winnipeg.
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Price: 101.50 and interest to yield 5.62%

Dominion Tar & Chemical Company Limited
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Price: 99 and interest to yield 5.18%

Dryden Paper Company, Limited
4¾% Debentures due December 15, 1974
Price: 93 and interest to yield 5.40%

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N.B. Airport To Be Expanded

From Our Own Correspondent

SAINT JOHN—Saint John will make a major effort to keep its airport at Clover Valley equipped to compete with the major East Coast terminals.

A big building program will start in the spring.

J. K. Kennedy, chairman of the Airport Commission said that $300,000 will be spent to more than double the present administrative facilities.

He anticipates use of the port by 125-passenger Vanguard aircraft within a few months.

The airport restaurant, now seating 18, will have accommodation for 60 when the new buildings are up.

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ANNOUNCEMENT

Joins Royal Trust Advisory Board

John H. Moore, C.A., whose appointment to the Advisory Board of the London, Ontario, Branch of The Royal Trust Company has been announced. Mr. Moore is President of John Labatt Limited.

SIGMA MINES (QUEBEC) had gross production in August of 217,238 from 34,379 tons milled. This compares with production of $215,583 in July and $213,917 in August, 1957.

Substantial industrial Company listed Toronto Stock Exchange is interested in acquiring for cash and/or share exchange all/ majority or minority interest in profitable or potentially profitable enterprises.

Reply in confidence: Armstrong, Browne & Co., Chartered Accountants, 67 Yonge Street — EM. 6-5671.

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Announces that the company will henceforth be known as

FLOMEN AND BENJAMIN INC.

The address and telephone number of executive offices and plant remain unchanged.

Canadians Buy $533 Million Life Policies

New life insurance purchased by Canadians in July amounted to $532.9 million, 2% more than that bought a year earlier.

Higher group life sales more than offset decreases in new industrial and ordinary life sales.

Ordinary life policies bought during the month had a face value of $374.3 million (3% lower than a year ago); group life sales came to $149.8 million (+17%); and industrial sales amounted to $8.8 million (—4%).

Here is the record by provinces of sales of ordinary life as compiled by the Canadian Life Insurance Officers Association:

	1958	1957
	$000	
Alberta	26,900	27,700
British Columbia	33,400	33,600
Manitoba	16,900	15,500
New Brunswick	6,100	6,200
Newfoundland	2,100	1,700
Nova Scotia	11,900	11,500
Ontario	160,200	162,400
Prince Edward Island	1,100	700
Quebec	104,600	115,700
Saskatchewan	11,100	9,900

Here are sales figures by months:

	1958	1957
	$000	
January	311,900	269,700
February	341,300	322,900
March	372,000	345,300
April	377,200	371,500
May	371,800	374,700
June	387,300	378,600
July	374,300	355,400
August	.....	328,200
September	.....	335,100
October	.....	363,000
November	.....	392,100
December	.....	384,100

Big Rise in New Stock Issues

	Bonds, Debentures and Notes				Shares	
	Government of Canada	Canadian Provinces	Canadian Municipalities	Canadian Corporation	Preferred Shares	Common and Class A Shares
	Millions of Dollars					
1946	914	133	130	579	80	83
1947	371	275	252	401	91	47
1948	1,425	344	112	305	35	6
1949	821	464	165	294	16	65
1950	2,192	409	182	437	45	99
1951	592	419	224	455	28	166
1952	827	448	241	546	31	123
1953	2,033	391	240	329	85	140
1954	3,400	496	300	594	94	112
1955	1,370	372	298	586	166	190
1956	1,527	635	318	860	190	453
1957	2,602	740	356	1,045	106	356

THE BULL MARKET By PAUL S. DEACON

Are Stocks Really Scarce?

Step-Up in Equity Financing if High Prices Persist

The New York stock market hit a record high this week. Canadian stocks, while still below their 1956 and 1957 peaks, were at their best levels for the year.

Next to the fear of inflation, one of the most frequently heard reasons for this current rise in stock prices is the growing scarcity of common stocks.

And the most common explanation of this scarcity: the steady buying by institutional investors.

This is undoubtedly a reason of some importance.

Such buyers must take the long-term view, and they are in a better position than most individual investors to do so. While common stocks may not be an effective antidote to inflation over shorter periods, they do provide protection against losses in purchasing power over the long term as long as inflation doesn't get out of hand (FP, Sept. 13).

So the institutions are putting more emphasis on stocks in their investment purchases.

Also, the big investing institutions have a steady flow of money coming in all the time which they must put to work.

In the case of life insurance companies, the proportion going into common stocks is relatively small. Among pension funds, the proportion is greater and growing.

In the case of mutual funds, most of their cash inflow is invested in stocks.

But is this regular buying of stocks by these big investors really absorbing the floating supply of stocks, thus producing a new era of higher stock prices? How much more scarce are stocks now than they were, say, five years ago?

Some of the institutional investing in common stocks has certainly been impressive.

Since 1954, for instance, new U. S.-owned mutual funds have invested an estimated $300 million, mainly in Canadian stocks. Market value of holdings of Canadian mutual funds has risen by about $250 million and in the case of closed-end funds, by about $225 million.

The rise in stock prices over this period has contributed to this showing (the DBS index of 95 Canadian stocks has risen by about one third compared with a 150% increase in the size of the closed-end funds and a 250% jump in the size of the mutual funds). But a large part of the increase represents new money raised by the funds and invested mainly in the stock market.

In all, perhaps $100 million a year in new money has gone into Canadian stocks in this way.

Pension fund data is less easily estimated. But based on a special Dominion Bureau of Statistics study done three or four years ago, and some estimates made since, perhaps $150 million in stocks is held by such funds in Canada, out of assets of more than $2 billion.

This is about the size of the holdings of Canadian stocks of life insurance companies in Canada (about $135 million book value at the end of 1957), although the annual increase over the past five years has been far less for the life companies than for the pension funds (probably $20 million vs. only $5 million).

There has been a big increase in the flow of foreign money into Canadian stocks. In the past five years, this has amounted to $626 million, about half of which is accounted for by the big non-resident - owned mutual funds. Therefore the net addition to the demand over and above these sources already considered is about $325 million.

All in all, these major institutional buyers, plus foreign investors, have invested an average of about $185 million a year in the Canadian stock market.

That is a large addition to the demand side. But the supply side has grown quickly too.

In the current issue of the Canadian Chartered Accountant, William Robson, a vice-president of **A. E. Ames & Co.**, investment dealers, outlines some of the main features of the Canadian securities market. The article includes a table of new Canadian security issues, reproduced on this page.

Of particular interest is the rapid recent increase in the size of new stock issues.

In the past five years, the value of new preferred stock issues has totaled $641 million, and of new common and class A stock issues, $1,251 million.

In the previous five years, the totals were only $155 million and $464 million, respectively.

Thus as the demand increased and the market climbed, the supply of stocks increased. When prices fell off last year, reflecting reduced demand, the new supply decreased.

Even with foreign investors and big institutional buyers injecting around $800 million into commons and some preferreds over the five-year span, the excess of new issues left for other buyers is $1 billion, or 40% more than all the new preferred and common stock issues made in the 1948-52 period.

If you assume that all the $800 million was invested in Canadian common stocks, there was still $450 million left over, or as much as all the new common stock issued in the 1948-52 period.

On the evidence, you can look for a step-up in the volume of equity financing if current stock market strength persists.

Why? Because if scarcity of stocks is a problem, the figures suggest that company treasurers won't allow it to remain a problem very long.

Savings Bonds To Yield 4.19%

OTTAWA (Staff) — About 12,000 firms across Canada will allow their employees to buy the new 1958 series of Canada Savings Bonds on the payroll savings plan.

The bonds will be on sale to the general public Oct. 14 from investment dealers, chartered banks, trust and loan companies and other savings institutions.

The new bonds will be dated Nov. 1, 1958, will mature 15 years later, Nov. 1, 1973, and will be offered at par up to Nov. 14, 1958.

Average yield to maturity is 4.19%. The bonds will carry 15 one-year coupons, with the first at 3½% and the remaining 14 at 4¼%.

As in recent issues, the 1958 series will be available in coupon form in denominations of $50, $100, $500 and $1,000 and $5,000; and in fully registered form in denominations of $500, $1,000 and $5,000.

The limit for holdings in any one name has been set at $10,000.

The series will retain such features of previous issues as the privilege of redemption at any time at any bank in Canada at full face value plus earned interest.

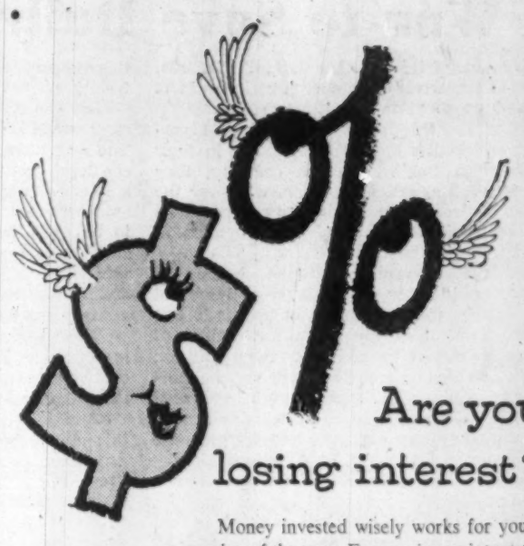
Superior Propane Issue Offered

MONTREAL (Staff) — An offering of $900,000 5¾% **Superior Propane** sinking fund debentures, series C, at par is being made by **Nesbitt, Thomson & Co.**

Proceeds of the issue are for retirement of bank indebtedness and to provide additional funds for corporate purposes, including possible acquisition of other propane businesses.

The debentures are redeemable other than for sinking fund purposes, at a premium of 5¾% to Sept. 1, 1959, the premium decreasing by 0.32% annually to Sept. 1, 1976, and thereafter at par. For sinking fund, the debentures are redeemable at par.

A sinking fund calculated to retire 75% of the issue prior to maturity will operate.



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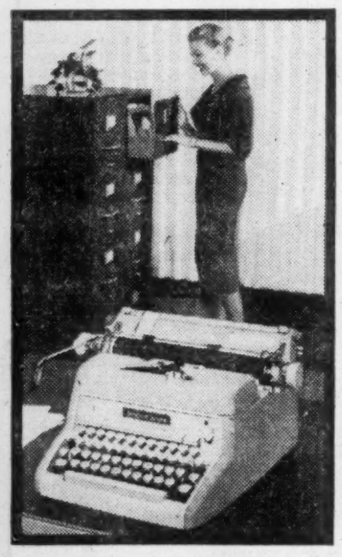

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NEW RUSSIAN THREAT

Pulp and Paper Expansion May Hit European Markets

OTTAWA (Staff) — Watch for a big Russian drive on European markets for pulp and paper. It could crimp Canada's European sales of these products.

Such a drive, in the opinion of experts here, is possible shortly, certain within the next two years.

Reason: Russia has the world's largest forest resources, and she's now in the midst of a campaign to boost her pulp and paper production.

She may be far better equipped shortly to move in on world pulp and paper markets than on almost any others — including aluminum where she has forced western producers to cut prices (FP, May 17).

Here are informed estimates of Russia's plans for expanding her pulp and paper making facilities:

- **Her chemical pulp production** in 1956 was 1.7 million tons; by 1960, this is to be boosted 40%.
- **Russia's paper production** this year is estimated at 2.2 million tons, to be boosted 20% within the next two years.
- **Russia's newsprint production** last year is estimated at 430,000 tons. This is to go up by 17% by 1960.

These estimates were culled by specialists here from Russian trade journals; wherever possible they were cross-checked with other information from behind the Iron Curtain.

You can take them with a grain of salt if you like. But they were intended, originally, for Russian consumption, not to mislead the West.

For several years, Russia has been a regular exporter of woodpulp at prevailing world prices to several European countries where Canada sells woodpulp.

For the last five years, her woodpulp exports to the U. K. have ranged between 40,000 and 70,000 tons. This is small in comparison to our woodpulp exports there — last year we sold the British 225,000 tons.

Russia's paper exports to European countries have been smaller and more sporadic than her woodpulp exports.

But if she builds up her production facilities as she plans, Russia will have a sound base for serious competition in western pulp and paper markets.

It should be a better base than she has for her celebrated aluminum offensive, which may be an attempt to get rid of a surplus resulting from a switch from airplane to missile production; rather than the result of a permanent gap between aluminum production and requirements.

Safeway Sales Rise by 2.9%

Sales of **Canada Safeway Ltd.**, Winnipeg, subsidiary of **Safeway Stores Inc.**, Oakland, Calif., rose 2.94% to $17.6 million in the four weeks ending Sept. 6 ($17.1 million in comparable period a year earlier).

Sales for the 36 weeks ended Sept. 6 amounted to $158 million ($145 million), up 8.7%.

There were 174 retail stores in operation this year in Canada compared with 168 in 1957.

Dividend Changes

GROUPED INCOME SHARES — Spec. & com., 5c payable Sept. 30 to holders of record Sept. 15. Total paid or payable in 1958 to date, 15c (of which 5c paid June 30 was paid in form of tax-paid stock dividend and redeemed for cash immediately); total paid to same date in 1957, 15¼c; total paid in 1957, 20¼c (of which payts. of 5c each paid June 30 and Dec. 31 paid in form of tax-paid stock dividend and redeemed for cash immediately). Recent price: Bid, $3.74; ask, $4.08.

NORTHLAND UTILITIES—Common, 22½c payable Nov. 1 to holders of record Oct. 16; ex-dividend Oct. 14. Total paid or payable in 1958 to date, 45c; total paid in 1957 to same date, 40c; total paid in 1957, 40c. Recent price: $15.

BEATTY BROS. — Common, 10c payable Oct. 1 to holders of record Sept. 18; ex-dividend Sept. 16. Total paid or payable in 1958 to date, 15c; total paid to same date in 1957, 20c; total paid in 1957, 20c. Recent price: $5.

DOMINION EQUITY INVESTMENTS — Common, 20c payable Sept. 30 to holders of record Sept. 10. Total paid or payable in 1958 to date, 40c plus 12c; total paid in 1957 to same date 36c plus 12c; total paid in 1957, 36c plus 12c. Recent price: Bid, $14.25; ask, $14.58.

WOOL COMBING CORP. — Common, 12½c payable Oct. 15 to holders of record Sept. 30; ex-dividend Sept. 26. Total paid or payable in 1958 to date, 45c; total paid to same date in 1957, nil; total paid in 1957, nil. Recent price: $7.25.

UNITED KENO HILL MINES — Common, 6c payable Oct. 20 to holders of record Sept. 26; ex-dividend Sept. 24. Total paid or payable in 1958 to date, 32c; total paid to Oct. 25 in 1957, 40c plus 10c; total paid in 1957, 40c plus 10c. Recent price: $3.90.

BANK OF NOVA SCOTIA — Common, 50c plus 20c payable Nov. 1 to holders of record Sept. 30; ex-dividend Sept. 26. Total paid or payable in 1958 to date, $2.00 plus 20c; total paid in 1957 to same date, $2.00; total paid for 1957, $2.00 plus 10c. Recent price: $62.50.

War to Save Dulles' Face?

No country friendly to the U. S., like Canada, wishes to embarrass or hamper American efforts to stand up to "Communist aggression."

Unhappily, this is not what Messrs. Eisenhower and Dulles appear to be doing in their dispute with Peking. On the contrary, they have set up a situation in which, whatever the military outcome, the Peking government can score points in the court of world opinion at the expense of the U. S.

Let it be conceded that the shelling of Quemoy and Matsu, since it cost lives and threatened peace, was wrong in principle. But certainly the Reds could not have obtained the islands merely by asking for them politely; and just as certainly their attack was not unprovoked. Chiang Kai-shek's forces have used Q and M to harrass Chinese shipping and make coastal raids. They occupied and fortified the islands in the first place, at American bidding and expense, as springboards for an invasion of the mainland.

The logic of the American position is that Chiang's military operations from Q and M, even if they culminate in an attempt to reconquer China, are lawful efforts by China's rightful ruler to regain his own. Whereas, according to the U. S. doctrine, any attempt by the Communists to repulse Chiang or to remove the threat and nuisance from their very doorstep is unlawful and "aggressive."

This is the absurdity into which the U. S. has been led by its unrealistic refusal to face the facts of life. For it is an absurdity; no one can honestly swallow the contention that, in this quarrel, the law is wholly on Chiang's side, wholly against Mao Tse-tung.

Nor can it be seriously believed that a hold on Q and M is indispensable to American safety. The Reds have succeeded in making the American legal position look even weaker by setting a 12-mile limit for their territorial waters.

Worse still, the whole incident (if it proves to be only that) has advertised Chiang Kai-shek's pressing interest in resuming the civil war, which is his only hope of regaining power, and the fact that he depends totally on American military support.

The world is beginning to ask the frightening question: Is it possible that the U. S. really contemplates getting into a major war to destroy the Peking regime and reinstate Chiang?

American policy does make some sense on this supposition. The bellicose remark by an American Pacific commander, "We can lick 'em," strengthens the public's worst fears. Current talk about using atomic weapons in China (which would, of course, lose the West every friend it has in Asia) adds to the general horror.

It is a mercy that Chinese-American diplomatic talks have begun; but it is hard to see how there can be any settlement until the U. S. abandons its claims with respect to both Chiang and the offshore islands. It will be very difficult to persuade even the U. S. public, let alone the world at large, that American security depends on making these claims good; and certainly a war fought merely to save Mr. Dulles' face would hardly be a popular crusade.

Free Trade in Cobras

If you have any harpsichords, horseshoes, muzzle-loading pistols, cobras or piranha fish for sale, now is the time to offer them in the American market.

Duties on horseshoes (not for tossing but for shoeing horses) and on muzzle-loaders (classified as artistic antiques) were abolished at the last session of the U. S. Congress. It was agreed that their importation duty-free would have "no adverse effect on American employment."

The tariff on harpsichords was cut from 40% to 15%. If there are any American makers, they were not heard from.

Efforts to ban cobras and pirhanhas (the small, carnivorous, "man-eating" fish you see in sideshow aquariums) were frustrated by the free trade forces.

But a bill to let in bagpipes and sporrans without payment of duty failed to pass.

After all, free trade has its limits.

No Good to Anyone

If anyone is happy about parliament's last minute promise of a $40-million handout to western grain growers, they seem to be very silent. From almost every quarter there has been the sharpest criticism and all of it is deserved.

The proposal is on a par with the late and unlamented $20 dividend of the Alberta government, a move that frittered away millions of public funds without noticeable benefit to anyone.

Particularly bad is the limit of $200 per farm on the dollar-an-acre payment. This encourages the inefficient and penalizes the efficient.

Less than a fifth of the farms in Saskatchewan are under 200 acres. More than half of them are over 500 and the proportion in the 1,000-acre up class has more than doubled in the last 20 years.

Grain growing, more than any other farm operation, lends itself to large-scale, mechanized farming and it is no secret that on these larger holdings grain can be grown much more efficiently. Only through large-scale, low-cost production can Canada hope to retain its major world export position in wheat and other grain. Yet by limiting its ill-advised handouts to 200 acres Ottawa is trying to defy economies.

The whole move is well summed up by the Searle Grain company in its current market letter when it says:

"If anything good can be said about the proposal it is that it appears to be the forerunner of more comprehensive, carefully prepared farm legislation which is to be introduced at the next session of parliament. Far better surely to have omitted this very inadequate and unrealistic measure which accomplishes little and which can be nothing less than disappointing to all concerned."

Take it Easy and Save

The average motorist doesn't have to buy a car half the size of his present one if he wants to save gas. All that is necessary, says the engineering director of American Motors, is to drive any car more carefully and more courteously, to use pressure sparingly on both brake and accelerator.

This expert points out that a car going 80 miles an hour uses nearly 50% more fuel than one going 50; that an engine that idles for more than a minute uses more gas than is needed to start it again; that faulty spark plugs, a dirty air cleaner, or too heavy oil can add an unnecessary 10% to the fuel bill; that jack rabbit starts and brake-jammed stops are not only dangerous but extremely wasteful.

Watch these points, says the expert and the average man can save up to a third on his annual gas bill, and, he might well have added, a lot of wear and tear on his own as well as the other fellow's nervous system.

This Pause Doesn't Refresh

Are North American businessmen becoming too cycle-conscious? Are we too preoccupied with recession, recovery, revival, readjustment? There are times these days when we all sound like passengers in an improperly-labeled elevator. Is it going up? Is it going down? Is it moving at all?

Faced with such uncertainty in a real elevator, most business executives would get out and head for the nearest stair-case, and get to the next floor the hard way rather than risk not reaching it at all. This is the normal reaction to a stalled economy—or it was before we all became so sophisticated about recessions and revivals.

When sales and profits don't come along so easily any more, the skillful manager looks for some other way to bring in the money. He scratches for business. He doesn't wait for "conditions" to change; he changes his own methods to suit the new conditions — and ultimately, because he and others like him do this, goods start to move freely again and "conditions" do change.

This is why it is disquieting to think that too much preoccupation with trends and portents may lead some North American businessmen just to stand and wait for the elevator to start again. If this happens, needed readjustments will not be made, and the upturn may be seriously delayed.

Keeping an eye on trends and portents is important for every executive; but the most important facts and figures for any individual firm are still the ones that appear on its own sales reports, cost analyses, and annual statement. These are the figures on which the firm must base its actions, let the trends fall where they may.

More Jobs on the Way

One of the most hopeful signs on the business horizon in the United States is the increased budget which private industry is spending on research and development. Of 24 of the biggest industries in the country covered in a recent survey by the American Management Association, no less than 18 reported increases in 1958 ranging from 2% to 26%.

Only from industrial research and development can come the new products and new processes which will give us the new jobs we must have to take care of the greater population of tomorrow.

A substantial proportion of the present labor force in Canada is working on jobs and turning out goods that were unknown in Canada before the war and would still be unknown had it not been for industrial research and development. And virtually all of these new developments, like the motor car, the radio and the airplane, opened up 10 new jobs for every old one they might have displaced.

How Are You Doing?

One result of the slower pace of business in Canada during the past 18 months has been a tendency of groups formerly falling behind in the economic race to pull forward into a more favorable position. Farmers, small businessmen and pensioners are all enjoying higher levels of income at a time when corporation profits are down.

Net income of non-farm incorporated business in Canada (seasonally adjusted at annual rates) shows a steady rise from $1,908 million in the first quarter of 1957 to $2,016 million in the first quarter of 1958—a modest increase, but a good showing compared with corporate profits before taxes, which dropped from $2,712 million in the first quarter of '57 to $2,256 million in the first quarter of '58.

Accrued net income of farm operators from farm production, which had dropped to $888 million in the fourth quarter of 1957, was up to $1,080 million in the first quarter of '58—still not approaching the high 1956 levels, but better than the first quarter of '57.

Transfer payments to persons from governments (welfare, etc.) are up sharply, and while this is unfortunately partly due to unemployment benefit payments, it also reflects the increased income of old-age pensioners and family allowance recipients put into effect by the outgoing Liberal government and the incoming Conservatives.

Geographically, the same leveling-out process seems to be taking place. Areas that complained they were "left behind in the boom" are showing stability in the recession, while areas with a spectacular boom-time record (for instance B. C.) are now showing correspondingly large fall-offs in activity.

The slow-down is certainly hard on the groups and areas that are bearing its brunt; but from the national point of view, it is a redeeming feature that some of the gaps in our economic development are now being filled in.

Justified Protest

The Canadian Association of Consumers has protested against the ban of the Quebec Dairy Commission on the sale of milk in large bottles and the refusal by the same authority to permit lower prices for store-bought milk compared with that delivered at the customer's door.

Well might the consumers protest.

As the CAC points out, in both cases there is a substantial saving in distribution costs which could and should be passed on to the purchaser.

Just who these provincial milk boards are trying to benefit by their stubborn stand against legitimate and wholly desirable competition is not clear. It is certainly not the consumer.

As with some other beverages that come under the control of government boards, the official attitude seems to be that the customer should consider himself lucky to be permitted to buy at all.

Napier Moore's

Scratch Pad

BACK IN CANADA, Professor W. H. Parker, of Manitoba University, may not have received word of the effect of a statement he made just before leaving England. But, so far as a large section of the general public is concerned, his pronouncement has been received with more vigorous affirmative head-nodding than has any professional opinion in a long time.

Throughout the worst summer in British history (and in many places in Europe too) people of this sodden island have expressed the belief that it has all been due to nuclear explosions. Scientists and meteorological experts have politely pooh-poohed this theory without shaking the conviction symbolized by our milkman — "Mark my words, it's all this atomic business what's upset atmospheric conditions. It's monkeying with nature, that's what it is!"

Not a few sceptics were converted when Southern England was hit by a storm of unparalleled ferocity. Officially it was described as a tornado. In two hours there were 2,141 forks of lightning. I saw them from a distance of 20 odd miles. In some areas there was a deluge of hailstones as large as tennis balls. Rain put the streets of some towns and villages as much as six feet under water. Railways were brought to a standstill when tracks were undermined. Thousands of people were stranded. Damage was severe and extensive. It was, in short, quite a night.

It was at Brighton that Professor Parker gave utterance. What he said was this:

"I have studied the history of weather for the last seven years, and although I have no scientific proof, I am convinced that the extraordinary bad weather over the whole of the Northern Hemisphere since 1954 has largely been caused by nuclear tests . . . I believe that when we learn more about upper atmosphere the point will be proved."

By any chance were Professor Parker to contest a British electoral constituency, I think he'd win hands down.

* * *

APART FROM THE STATE HEALTH SERVICE, British industry itself has devoted much attention and money to the maintenance of its workers' good health. During recent years, welfare services have been highly developed. It appears that by no means as much thought has been given to the health of the business executives on whom the weight of responsibility falls.

It has always seemed to me that British executives, and I've met a lot of them, show fewer signs of tension than do their North American counterparts. But apparently they get ulcers too.

At all events, the Institute of Directors (30,000 members) has established a medical research unit to investigate the hazards attending an executive's life and study ways of easing strain.

On TV the other night I listened to an interview concerning this with the Director of the Institute of Directors. He looked extremely healthy, was very much at ease, and didn't seem to be unduly perturbed about his colleagues.

However, Dr. H. Beric Wright, who heads the medical research unit, and who has been studying the effects of strain for years, asserts that there are problems to be defined and remedies sought.

Incidentally, one of the strains to be explored is that of hospitality, which means the entertainment of customers and clients. What is described as the burden of too many rich meals and, perhaps, too much alcoholic refreshment. I have attended one or two business luncheons which I must say were pretty substantial affairs for the middle of the day. On the other hand, many executives live quite a distance out of London or other large cities, breakfast early in order to get into town on time, and don't get home for dinner until late. And in this country, the body seems to need more food.

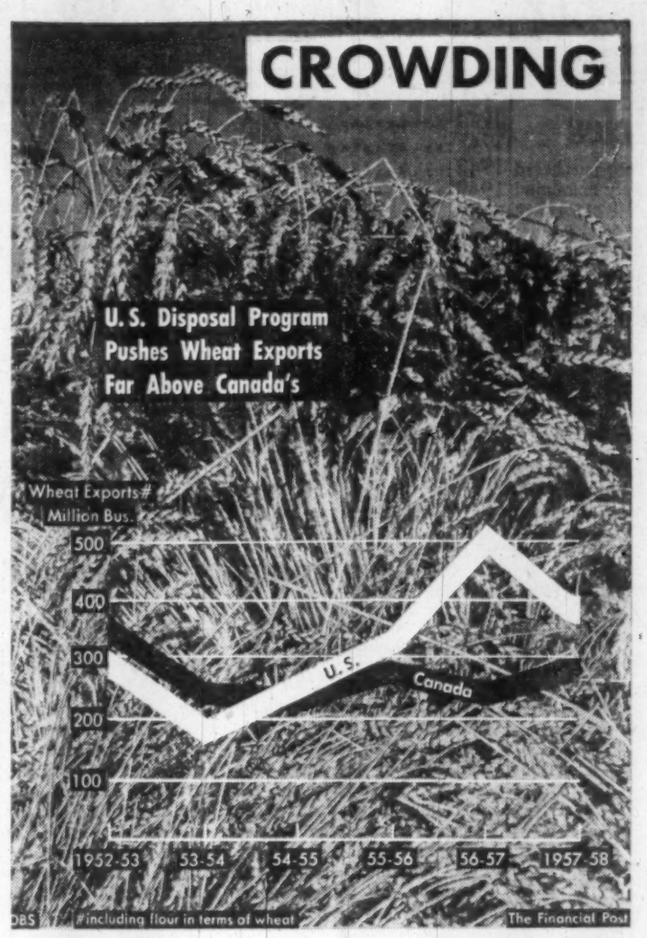
* * *

IN NEW JERSEY, a Mrs. Pagano drove to a supermarket and left her car in the parking lot. She didn't lock it, because on the front seat was her watchdog, a large boxer. When she came back, the dog was sitting peacefully in the parking space, but the car had vanished — stolen.

Mr. Pagano's surprise was nothing to that of Alfred Prior of London. Mr. Prior's business — and a perfectly legitimate business—is that of opening locked safes. He was called in by a Pimlico furniture stores owner who had paid two van men 30 shillings for an old, dusty safe. The truckers said they had been on a moving job and had been given the safe as a tip.

Working in the furniture shop all alone, Mr. Prior got the safe open. He also got the shock of his life. Inside it were cases of jewelry, including a diamond tiara, and gold and silver dishes, worth thousands of pounds.

The safe-cracker stayed on guard all night. Next day the furniture dealer put the treasure in the bank and had his lawyers call the police. Also in the safe were letters from a London law firm to a woman in Brighton, dated 1900. But the then office of the solicitors no longer exists and nobody remembers the addresses of 58 years ago.



Post Scripts

CBA President

New head of the Canadian Bar Association, elected at the annual meeting in Toronto last week, is Walter Stewart Owen, a senior partner in the legal firm of Campney, Owen & Murphy of Vancouver.

MR. OWEN

Owen is a hundred percent native son of British Columbia having been born, raised and educated in that province and always practised there. His birthplace was Atlin, about as far north as one can go in B. C. not far from the borders of the Yukon and Alaska. However, he got all his education in Vancouver at public and high schools and the Vancouver Law School. He was called to the bar in January, 1928, just before his 24th birthday. He was crown prosecutor for the county of Vancouver from 1933 to 1945.

Owen has been active in the Canadian Bar Association for a long time and a member of its council for almost 20 years. He has served as registrator and honorary secretary and last year was the Dominion Vice-President.

From his school days, Owen has always been interested in young people's activities. He was premier of the first and second Boys' Parliament of B. C., and a delegate to the World YMCA Conference in Helsinki in 1926. He is a governor of the Vancouver Metropolitan YMCA, and the Yorle House School for girls. He is also a member and on the council of the Vancouver Board of Trade and past president of the Vancouver Club. Recreations, some of them now more or less academic, include tennis, badminton, golf and fishing.

In 1929 he married Jean Margaret Dowler. Their family consists of two girls and two boys, all but the youngest grown up and away from home, and three grandchildren.

* * *

Heads Accountants

For their new president for 1958-9 members of the Canadian Institute of Chartered Accountants went to the Pacific coast this year. At the 56th annual meeting in Montreal John L. Helliwell of Vancouver, was elected president.

Helliwell's whole career has been spent in the firm of Helliwell, Maclachlan & Co., which was organized by his father in Vancouver in 1897. Starting as an articled student in 1923, he became a member in 1928 and a partner in 1934.

His first training as an accountant was received from one of his father's partners who had taken his training in Edinburgh and in acknowledging his personal indebtedness to his first principal, Helliwell expressed the opinion that the profession in Canada, and probably the United States as well, owes much of its present status to the high standards many of its early practitioners brought to the new world.

The new president's father was one of the original incorporators of the Canadian Institute in 1902, being convinced that a national body was needed to co-ordinate the efforts of the provincial institutes.

Helliwell was born in Vancouver, in 1904, and was educated both in England and British Columbia. He was married in 1933 and now has two sons aged 23 and 21.

A member of the Vancouver Club and the Royal Vancouver Yacht Club, Mr. Helliwell and his wife in recent years have found most of their recreation in developing a piece of land on one of the islands in the Gulf of Georgia.

* * *

He Runs Double Feature

The enterprising town of Steinbach, Manitoba, population 2,600, and the country around it is one of the best news producing parts of the province. It has two weekly newspapers, the long - established Steinbach Post, printed in German with most of the Mennonite families of Manitoba on its subscription list, and the younger Carillon News whose circulation tops that of all Manitoba weeklies printed in English.

MR. DERKSEN

Forty - two - year-old Ukraine born, German and English speaking Gene Derksen, editor and publisher of both, was elected president of the Manitoba Weekly Newspaper Association at its annual meeting this summer. When he started the Carillon News he had ideas of his own. One of them was insert local pictures in its columns. About a year before the first issue he bought the equipment of a small engraving plant. Much of it was obsolete and most of it useless except for experimental purposes. By the time he was ready for the first issue he had his own engraving plant.

The investment paid off. The News, always 16 pages and sometimes more, was a success from the start. Its engraving facilities at first were limited and soon were expanded and better equipped largely with assistance of a brother with the RCAF in the Second World War who started to work in the plant when released from the armed services.

Gene Derksen has been in the newspaper field since 1936. He was seven years old when his father Gerhardt Derksen, a school teacher in the Ukraine, came to Canada in 1923. On the same boat was a lifelong friend, Arnold Dyck, who located at Steinbach and bought the Steinbach Post in 1928. The Derksens went to a farm near Herbert, Saskatchewan. Some years later the father got an offer from Dyck to come to Steinbach as a linotype operator and editor. That looked much better than the drought he was facing in Saskatchewan. The son who had attended public school in Saskatchewan and finished high school in Steinbach also worked in the newspaper office and in the early thirties he and his father bought the business.

Married, with a family of three children, the oldest a boy of 14, Derksen has been a member of his town council and active in the Chamber of Commerce. Publishing two newspapers leaves little time for anything else but through his papers he still is the No. 1 booster for Steinbach and the eastern Manitoba area, tributary to it. The 67 papers which comprise the Manitoba Weekly Newspaper Association with their combined circulation of 117,000 are looking for another good year under his guidance.

What Others Are Saying

Editorial of the Week

Time To Face Railway Problem

Calgary Herald

If our railways are financially sick then let u inquire into the causes and try to find a remed other than the temporary bromide of an increas in rates. Are our railways being operated efficientl from top to bottom? Can even greater economie be put into effect than have already been made Are the railways being forced to continue opera ing services that, far from paying their way represent a serious drain on the over-all revenu picture?

The time is long overdue to take a long, rea istic look at the rail transportation service in Can ada. The logical body to perform this vital functio is a royal commission. In its findings and subse quent recommendations lies the best hope for solution to present difficulties. The Canadian con sumer is fed up with being called upon to pay th price to settle wage disputes between the railway and their employees. He has already paid to much, and, furthermore, it is obvious that it is solution that is completely unsound.

Other People's Views

RAIL STRIKES should be outlawed, declare the **Calgary Herald.** "It has become clear that th government has to intervene anyway when a rail way tie-up actually takes place. This is not goo enough. The Federal Government, without fur ther delay, should place essential transportatio services out of bounds to strikes."

IF WE THINK WE HAVE A LEISURE problen now, what about the day some people see comin when we live to 90 and retire at 50, asks th **Brantford Expositor?** "This means that they woul spend their last 40 years on earth sitting around possibly in abysmal boredom. When that tim arrives, say the economists, the factory work week will be down to 24 hours. What are people goin to do with all that leisure?"

THE BIGGEST THREAT TO DEMOCRACY i the tendency of too many people to look to gov ernments to solve all their problems, declares th **Souris (Man.) Plaindealer:** "Pressure groups whic demand government action on every form of ob stacle to human progress and welfare, overlook o ignore the fact that, the more government inter vention in human affairs, the more control must be placed in government hands—with consequent les sening of individual freedom."

IT'S A HYBRID Bill of Rights, thinks the **Ottawa Citizen** which says bluntly: "As a declara tion, the bill is hardly memorable, being badly written, badly organized and loaded with irrele vant material. As an assurance to the citizen tha his rights will be better protected, it is somethin of a fraud, for it merely adjures the governmen to word its measures decently and the courts to interpret them properly. *It does not and could no give protection against the vagaries of legislators.*"

HOURS OF BUSINESS are no concern o municipal governments, argues the **Edmonton Journal:** "Employees are protected under mini mum-wage and hours-of-work legislation. Provid ed he commits no breach of this legislation, a merchant should be free to set his own hours o business in accordance with his customers' re quirements and his own interests."

ANOTHER COSTLY HANDOUT is the $40 million federal grant to Western grain growers declares the **Regina Leader-Post:** "The farthest any government should go is to promise to maintain a healthy economic climate to provide any and al industries with a reasonably good opportunity to progress on their own merits. If a given operation is unprofitable, then it is unsound. It is both wrong and ridiculous to require the taxpayer to subsidize it."

HIGHER FREIGHT RATES will only be the beginning of a new inflationary climb, thinks the **Winnipeg Free Press.** They "are unlikely to be anything but the forerunner to a flood of price increases. The Government may make what soothing noises it can, but there is every reason to fear that this is the reality of the situation we face. And against that the Government is not standing on guard; it is rather, through its deficit expenditures and financing, contributing to the peril."

Stop Me If—

Man (in police station)—Sergeant, I found the wallet I reported stolen the other day in my other pants.

Sergeant—Too late. We caught the thief yesterday.

* * *

A rather callow youth just starting out on his career of "dates," remarked to a girl: "I went out with a nurse yesterday."

"Never mind," replied the girl. "Perhaps in a year or two your mother will let you out without one."

A young husband did not like hash. His wife acquired a French cookery book, giving many recipes for using leftovers. The next evening one of the fancy mixtures in a covered dish appeared on the table.

The husband reached over and raised the cover, but his wife said: "Why don't you ask the blessing first, dear?"

Replied the husband: "I don't believe there's anything here that hasn't already been blessed."

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Our 'Culture' Blooms—Abroad

Canadian Musicians, Actors, Dancers, Painters Win Fame Away from Home

By J. B. McGEACHY

While one still hears complaints about a shortage of "culture" in this country, Canadian musicians, actors, ballet dancers, painters and other artists are winning fame, and perhaps fortune too, in the outside world.

They go abroad, of course, for a larger audience, better prices and maybe a more congenial artistic climate than they think they find here; but the applause and rewards available to them at home are far more generous now than ten or twelve years ago.

There is evidence of this in the sixth Stratford season just ended, the ninth opera festival coming up in Toronto next month, the current "symphony week" in the same city and Vancouver's gala program of music and drama for the B. C. centennial.

These events are only part of the proof that Canadian performers are now being honored, and paid, in their own country more handsomely than they used to be. Probably the single agency most effective in bringing about this state of affairs has been the CBC; but private individuals, societies and schools have done an indispensable job. What does this signify about Canadian culture?

Well, the argument about our culture is meaningless until the word is defined.

Though the "group of seven" painters were long ago acknowledged to be distinctly and even alarmingly Canadian, there is perhaps no drama, music, ballet, architecture, fiction or poetry that has this national flavor and is also first-rate.

If what we want is high quality plus a recognizable Canadian slant in creative art, the only thing to do is wait for it (a new flag wouldn't help in the least) and meanwhile resist U. S. influence.

Good or bad, this influence is bound to be death on originality in a neighboring country that speaks the same language but has one tenth the population. People who say we should be proud and happy to be culturally just like the Americans (as the novelist Morley Callaghan says) are suggesting that the experiment in making a separate nation here ought now to be scrapped as a bad job.

But when people talk about culture, and deplore its nonexistence in Canada, they are not usually thinking of what the anthropologists mean—the expression of national character and thought. They are rather thinking about opportunities to cultivate, display and enjoy talent in music, theatre and allied arts.

But it happens that Canada is now producing, and training here in this country—some very distinguished talent in these lines. If this talent spends much of its time in foreign parts, this is in part due to a failure of Canadian appreciation; but the leading artists of all nations do a lot of traveling about. The point is that the cultivated Canadian talent exists and has won acclaim that perhaps not many Canadians are aware of. This is especially true in music.

Most of us have at least heard about Lois Marshall, soprano; Maureen Forrester, contralto; Leopold Simoneau and John Vickers, tenors; James Milligan, baritone. How many of us realize that these singers, trained in Toronto and Montreal, are now world-famous concert stars of the first magnitude?

They have sung in all the famous musical towns: London, New York, Paris, Hamburg, Rome, Geneva, Vienna, Bayreuth and so on; and they are in demand to reappear.

I know, as everyone does, that if you have the price you can hire a hall, in New York, London or anywhere else, and have a debut as a singer or instrumental player, hoping against hope that at least one second-string critic will turn up. I have known a few Canadian aspirants who went through this usually heartbreaking experience.

Please do not confuse that forlorn band, as some self-depreciating Canadians would be quite likely to do, with the people I have just mentioned.

They are certified, gilt-edged celebrities about whom top-line critics, in the cities hardest to please, write in rapturous terms. One, for example, says in so many words that Miss Marshall's voice is "the best in the world."

From all the expert opinion I can gather, these Canadians, plus a good basso, would make an operatic team fully up to Metropolitan or Covent Garden standards.

There is no opera house in Canada where they may all be heard together; but there could be. There is no reason why it should not come to pass, provided Canadians show enough interest and offer the necessary financial support. It would also be a great help if Canadians would give up the dreary and now ridiculous notion that anything Canadian must necessarily be second-rate.

Meanwhile, the same Toronto school that has nurtured world-famous singers stages an annual opera festival in this city. (I speak of this Toronto entertainment, knowing something about it directly. Vancouver also has its operatic occasions and Montreal a yearly festival.

Toronto's opera festival dates from 1950. Semi-amateur at first, it became wholly professional in 1954. It has presented in Toronto and nearby towns, 166 performances of 25 different works to 232,000 people.

Its chamber opera group has toured Ontario and Western Canada as far afield as Edmonton. Later this year it will sing in more than a dozen places in the Atlantic provinces, including three in Newfoundland. Canada Council grants help to make these trips possible.

J. B. McGEACHY

"There is no opera house where Canada's world-famous singers may be heard together. There could be if Canadians would offer enough financial support and forget the dreary, ridiculous notion that everything Canadian is necessarily second-rate."

For its season just coming up in Toronto, Oct. 13 to 25, the festival company offers Verdi's Masked Ball, Offenbach's Tales of Hoffman and (on the hundredth anniversary of the composer's birth) Puccini's La Boheme.

At any time the festival may hatch another Marshall or Milligan. Short of that, it can be counted on to give skilled and agreeable performances.

The company is the first professional repertory opera company in the country. Linked at its founding with the Royal Conservatory of Music, it is now entirely separate from that school, uses the talents of its faculty but employs students only in the chorus or in minor parts.

Indeed the company has a Dominion charter; and so it is able to accept gifts deductible by the giver on income tax forms. The opera festival company needs benefactors as well as cash customers at the box office. It will become a great and famous company all the sooner if endowed.

I had a chat with Dr. Arnold Walter, director of the faculty of music in the University of Toronto, who got the festival started and is naturally proud of its success.

He is delighted that Canadian schools have produced singers of the first rank. In an earlier day, he says, a Canadian with operatic talent had to go abroad and stay there. An example is Edward Johnson (he found it advisable at one time to be Eduardo Giovanni whereas Milligan will do very well today in any country.) Johnson was trained and spent the first part of his operatic life in Italy, the second in the Met at New York. Nowadays a career in opera can at least begin here; and the home-grown star is likely to spend at least part of his time here.

Dr. Walter tells me that Canada is not the only out-of-the-way country where music has made great progress since the war. To pick out three places not usually thought of as centres of musical culture, Ankara now has a first-class opera company and theatre; Tokyo has five opera houses, presenting western music; Santiago, Chile, has better music than Toronto.

So Canada, it seems, is not leading a procession but at least is no longer in a back seat. Dr. Arnold stresses that the opera company here is a wholly Canadian venture. He and some of the directors and conductors—Mazzoleni, Geiger-Torel, Goldschmidt, Barbini and others—are European by birth but they live here now and have become Canadians.

(I agree that it's silly to admire and praise any artistic work or performance for reasons of national pride; but if it is good and also Canadian, this is a legitimate reason for satisfaction.)

So far I have spoken only about singers. To mention some more Toronto names, as the ones I know best, Canada has a pianist in Glenn Gould and a violinist in Betty Jean Hagen (born in Edmonton) who are in the top rank of their profession; and the Toronto Symphony Orchestra, which is making an appeal this week to old and new friends, is ranked among the best ten in North America. It has an admiring public far beyond Toronto.

With an expert corps of musicians and a brilliant conductor, which TSO has in Walter Susskind, the symphony—just like the opera—needs more money if it is to gain in quality, reputation and value to the country. It needs more money for quite definable budgetary items: financing the free Sunday afternoon concerts that are immensely popular; extra rehearsal time to improve performance; strengthening certain sections of the ensemble; bringing in new players whose talent commands high pay; and so on.

At the beginning I said that, besides Canadian musicians, Canadian actors, ballet dancers and painters were making a name for themselves, and perhaps also a living or better, in overseas and foreign parts. Let us look at some of the evidence.

The Stratford festival is the crowning glory of Canadian theatre; and it, of course, offers an opportunity to Canadian players right here in Ontario. But it has produced star Canadian actors, notably Christopher Plummer, of international fame.

Probably no foreign tour could enhance Stratford's renown; but the company has taken Tamburlaine to New York and Henry V to Edinburgh. The latter production, it's worth recalling, was one that only Canada could achieve, with the English and French parts taken by actors speaking the two languages as mother tongues.

On the same artistic level, Montreal's "Theatre du Nouveau Monde" has presented Molière to enthusiastic audiences in Paris—a truly astounding feat. I once knew a Chinese professor of poetry from Peking, an expert on Robert Burns, who on a visit to Burns' cottage in Ayr ventured to correct the Scottish guide's misquotation of Tam o' Shanter and then, to the astonishment of all present, recited the whole of it with perfect diction and phrasing. Maybe this performance matches in a minor way the invasion of Paris, home of the Comédie Française, with productions of Molière.

Don Harron and Lorne Green are two of many Canadian actors now doing brilliant work abroad. Toronto attenders of the Hart House and Crest theatres know Kate Reid well. She is the star in "The Stepmother," just opening in London, Eng., while her husband, Austin Willis, has a leading role in "Roar Like a Dove" in the same city.

The National Ballet of Canada, with its headquarters in Toronto, has toured extensively in both the U. S. and Mexico—with rousing success.

Not an expert in any of the arts, I am least at home in modern painting; but I learn that several Canadian abstractionists, as well as more traditional painters, are established in New York, London, Paris, Rome and elsewhere. Some have given one-man shows in these capitals of art.

One of them, I learn, ranks as a leader, if not the originator, of a new school in Paris called "tachisme," which, if my French is in working order, can only mean making stains or spots. The technique, it is said, is "dribbling" the paint on to the canvas. Even if you think "this may be pretty but it isn't art," it's a comfort to know that Jean-Paul Riopelle of Montreal, "tachiste," is right up in front among the innovators.

From an unexpected source, Stalingrad, comes a bouquet for Canadian painting in the older style. A collection of reproductions, done with paint on silk, has been received by the Russian city as a gift. They are being shown in its Palace of Labor before being sent round the country; and the magazine "U.S.S.R. Illustrated" says that Stalingrad painters and critics are delighted by the Canadian works.

This story could go on and on. The point of it simply is that Canada is producing plenty of art and artists, in various fields; and that these artists, like prophets without honor in their own country, often receive warmer acclaim outside than inside Canada. Let nobody presume to talk about Canada's culture or lack of it before hearing or seeing their work.

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SD48

Canadian Auto Production

	Week Ending Sept. 13	Same Week 1957	Year To Date 1958	Year To Date 1957	% Change To Date
CARS					
General Motors:					
Oldsmobile	270	...	10,383	10,864	—4
Buick	563	...	9,589	10,823	—11
Pontiac	...	...	40,579	36,915	+11
Chevrolet	...	...	53,643	59,340	—10
	833	...	114,194	117,942	—3
Ford:					
Edsel	...	318	1,397	1,375	+1
Mercury	...	242	4,438	7,984	—44
Meteor	...	306	17,885	23,257	—23
Ford	...	761	39,342	45,275	—13
		*1,698	63,062	*85,241	—26
Chrysler:					
Desoto	...	...	724	...	....
Chrysler	...	...	*2,158	3,587	—40
Plymouth	...	...	13,677	25,384	—46
Dodge	...	...	15,005	29,016	—48
	...	...	31,564	58,420	—46
Studebaker-Packard:					
Studebaker	....	....	2,720	4,094	—34
Total	833	1,698	211,540	267,489	—21
TRUCKS					
General Motors	34	16	17,543	20,860	—16
Ford	...	837	11,742	19,863	—41
Chrysler	47	...	4,315	5,952	—28
International	227	159	7,460	9,328	—20
Total vehicles	1,141	2,710	252,600	323,492	—22

*Includes Monarch.
Source: Canadian Automobile Chamber of Commerce.

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• Quebec	1.80
• Windsor	1.21
• Three-Rivers	.54
• Moncton	.45
• Sherbrooke	.40
COMBINED RATIO OF CANADA'S AUTOMOTIVE SALES	11.61%

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The Outlook

An FP roundup of the latest facts and expert opinions on the economic weather ahead . . .

(CONTINUED FROM P. 1)

some months to come. As examples why: Export markets for many key Canadian products including base metals and pulp and paper are still on the weak side; retail sales and industrial output—both seasonally adjusted—are not yet showing any signs of consolidating gains made this spring.

But optimists about the outlook can point to:

—Stock markets in Canada and the U. S. bulling their way up, despite murmurs of "too high" from those who watch price-earnings ratios, yields, the continuing squeeze on profits and lower-than-a-year-ago business earnings.

At mid-week, Dow-Jones index of industrial common stocks was climbing steadily toward the 530 point, setting new records on the way. In Canadian markets, oils firmed while industrials and base metals led by copper stocks continued to move up firmly, establishing highs for 1958.

—Better business news in the U. S. where personal income showed increasing sturdiness, August housing starts were the highest since January 1956 and business spending on new plant and equipment gave promise of an earlier-than-expected upturn.

In this climate there were more voices predicting brighter prospects for fall business. One comment comes from R. B. MacPherson, **Du Pont of Canada** economist, who told Montreal businessmen that the economic **recovery has now gathered sufficient strength to ensure record production and sales levels in the last quarter of this year.**

* * *

What businessmen would like to hear is that earnings and profits are getting ready for a turnabout. In many major firms, this recession has cut sharply into sales—or at least put pressure on them. And the resulting pinch on profit margins hurt even more.

There's some evidence now that the turn may be near. At any rate, it looks as though the worst of the decline is over as far as profit margins are concerned.

First-half sales, earnings and profit reports by the time they are all published are expected to bear this out. An FP tabulation of a sample of firms with early and complete reports shows:

- **Net profits as a percentage of sales are tending, over-all, to fall less abruptly in the first half of this year** than they did during the previous three half-year periods. In a few cases, the turn has come and there's an improvement over last half 1957.

For example: **Bell Telephone** net as a percentage of total revenues declined from 12.6% in the last half of 1956 to 11.2% by the last half of 1957, but registered 11.8% in the first six months of this year.

- **Profit margins in four companies out of nine were larger in the second quarter of this year than in the first quarter** — in contrast to earlier declines.

Examples: **MacMillan & Bloedel's** margin in the second quarter was 7.3% vs. 4.1% in the first quarter, whereas a year earlier the quarter-to-quarter comparison was 6.4% vs. 4.6%. **Noranda Mines'** second-quarter margin was 27% vs. first-quarter 25.6% and a year earlier there was a quarter-to-quarter decline.

- **Comparing profit margins in the first quarter of this year with those a year earlier,** they were smaller in seven out of nine cases, unchanged in one and slightly higher in another. **By comparison: Second quarter this year vs. same months last year showed an improving picture** with margins higher in four companies and while still lower in the remaining five, the declines, over-all, weren't as big as in the first quarter.

Improvement in profit margins is also becoming obvious in the U. S. Many leading manufacturers report second-quarter margins—while often still smaller than in the last half of 1957—bigger than in the first quarter of this year. (For details on 12 Canadian companies, see p. 13.)

How Copper Stocks Moved

	Latest Price	Week's High	1958 High	1958 Low
	$			
Bethlehem	1.04	1.04	1.25	.53
Bouzan	.47	.50	.60	.35
Campbell Chib.	5.90	6.20	6.65	3.95
Coldstream	.31	.32	.47½	.20½
Cons. Halliwell	.61	.64	.95	.25
Copper Rand	1.85	1.90	2.36	1.05
East Sullivan	2.21	2.25	2.25	1.40
Falconbridge	26⅝	26¾	28	21
Geco	14¼	14¼	15½	7.95
Granduc	1.70	1.75	1.75	.92
Hudson Bay	52.50	52.50	52.50	39.25
Int. Nickel	85⅛	85½	85½	69½
Kilembe	1.65	1.80	2.06	.95
Maritimes	1.05	1.14	1.21	.40
Merrill Is.	.81	.82	1.00	.61
Noranda	45	45⅞	47	39.25
Opemiska	8.50	8.65	9.20	5.75
Quemont	10⅝	10⅝	11.00	7.50

Copper Surge: Strikes Slash World Supplies

(CONTINUED FROM P. 1)

ing which would tend to support copper.

Another sign that's improving the demand-supply outlook is the possibility of a closedown at Inco. This would remove production at the rate of 100,000 tons annually from the market.

A meeting of representatives from the world's copper producing nations in London have turned down a suggestion that price and production of copper should be regulated on an intergovernmental basis.

Their reason: copper markets are now improving and no action is necessary.

Dealers report demand fairly steady for copper.

Business in lead and zinc has also improved over recent dullness.

World refined copper stocks were cut by 8% in August, according to Copper Institute figures.

Highlight of the monthly report was an improvement in the U. S. domestic position.

Primary crude production in U. S. was steady with the previous month at 67,586 tons while refinery output dropped sharply to 100,640 tons, down 9,500 tons from July.

Deliveries of refined copper to U. S. customers showed an increase of nearly 10,000 tons to 86,982 tons. Refined copper stocks in hands of producers dropped over 27,000 tons, indicating substantial deliveries to government account.

Outside the U. S., highlight was a sharp rise in deliveries of refined copper to fabricators. Total refined stocks on a world basis now stand at 436,532 tons, down 8% in the month.

Meanwhile in other markets, pressure of possible bigger tariffs on lead and zinc coming into U. S. appears to lessen.

Although there are rumblings still from U. S. mining states, the U. S. administration view is that there is no crisis in the industry. The tariff hike possibility is now on the shelf, following failure of a bill for mineral stabilization to pass Congress.

However, there remains the recommendation for higher tariffs of the U. S. Tariff Commission made earlier this year to the President.

ANNOUNCEMENT

W. B. MACDONALD — J. M. STEWART — W. T. VANCE

Photos by Donald McKague

Announcement is made of the appointment to the Board of Directors of A. E. Ames & Co. Limited of Mr. W. B. Macdonald, Mr. J. M. Stewart and Mr. W. T. Vance. Each of the new Directors has been associated with the Company for many years.

See Bigger Crop Markets

(CONTINUED FROM P. 1)

vary their import-domestic mixture to make up the balance — adding to the likelihood of more high-quality Canadian wheat and flour being used.

Here's the picture for other cereals:

Barley: Usual Canadian sales 480,000-500,000 tons. Domestic average, 2.8 million-three million. Probable deficit: Up to one million tons.

Oats: Usual Canadian sales, about 20,000 tons compared with domestic production of 2.1 million to 2,250,000 tons. Market prospect: "Excellent, at least double," say British millers.

Oatcake and meal: Canada supplied 16% of British needs last year, 227,000 tons all told. Home production from domestic and imported oilseeds was some 610,000 tons. Growing demand, plus weakness of the small domestic crop, should add "appreciable extra demand," trade sources say.

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TECHNICAL SERVICE COUNCIL

Outlook in U.S. Markets Perking for Canadian Oil

WASHINGTON, D.C.—Things are looking up for Canadian oil exports to the U. S.

Washington has announced proposed changes in the oil import control program which will lead to a slight increase in imports.

However, this doesn't mean too much to Canadian oil exporters, since any increase would be a drop in the bucket.

But the big news is the election in Maine last week.

It has given Canada three loud voices in Washington objecting to the restrictions against Canadian oil.

It has provided a governor of Maine who is expected to be similarly vocal about the U. S. restrictions.

On top of this is a growing feeling in Washington that a relaxation of the restrictions insofar as Canada is concerned may be coming.

There would be no specific exemption for Canada, but a "gimmick" might be found which, in effect, would give Canada such an exemption.

The "gimmick" might be to apply restrictions on all oil imports, except those coming in by pipeline.

And there would be other ways of avoiding singling out Canada for special treatment, something the State Department is anxious to avoid giving the appearance of doing.

Canadian officials have been working on Washington to get this special treatment and it is understood there is a feeling of optimism on the efforts.

"It wouldn't cost the Americans very much and they would get a lot of Canadian thanks for it," one official commented.

The brighter picture in Washington for Canadian oil men is partly attributable to the Democratic landslide in Maine.

Representative Frank Coffin who has spoken out vigorously before in urging an end on oil import restrictions for Canada, was re-elected with a thumping majority.

Another Democrat was elected to the House of Representatives from the city of Portland, Maine.

Portland earns considerable money from Venezuelan tankers stopping off at the port while bringing oil to Montreal and business interests there want this money to keep rolling in.

If U. S. oil import restrictions encouraged Canada to build an oil pipeline to Montreal, it would mean there would be no need for the Venezuelan oil and consequently, no tankers would be stopping at Portland.

Therefore, newly-elected Rep. James Oliver will join Rep. Coffin in seeking an end to the restrictions on Canadian oil.

The new Democratic Senator from Maine — Edmund Muskie — also is fully aware of how Portland's economy could be jeopardized by the import control program and can be expected to speak out strongly for free entry of Canadian oil into the U. S. market.

AUDIT BUREAU TO MEET

The 1958 annual meeting of the Audit Bureau of Circulations will take place Oct. 23-24 at the Drake Hotel, Chicago.

Pan Am. First With Jets?

The first regular transAtlantic jet passenger service will be inaugurated by **Pan American World Airways,** Oct. 26.

So says Pan Am, this week.

Major competitor for "first" with jets on the transAtlantic run is **BOAC** with its Comet 4. No official date for the Comet has been given, but BOAC says it will definitely be in service before the end of the year.

The Pan Am service is scheduled to start with flights between New York, Paris and Rome. Regular New York-London flights are to commence Nov. 16.

On the Paris flight, Pan Am's Boeing 707 jet clippers will cut flying time to seven hours — four hours and 35 min. less than scheduled time of the piston-engined DC-7C.

De luxe and economy class accommodation will be offered with no increase in fares, says Pan Am.

The number of de luxe and economy seats may vary to meet the demand. But it is expected that the first flights will carry 32 de luxe and 89 economy class passengers.

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Burley & McDonald Ltd. (Toronto) Mrs. Dorothy Sills, appointed vice-president.

Canadian Apparel & Textile Manufacturers Assoc. (Montreal) — L. Peters, appointed chairman and president.

Canadian Gas Assoc. (Toronto) — A. C. Laugharne, appointed treasurer.

Canadian Kodak Co. (Toronto) — R. Laird B. Joynt, appointed comptroller; Kenneth Winter, director industrial relations; K. M. Mitchell, assistant sales manager.

Canadian Paper Box Manufacturers Assoc. (Toronto)—S. A. Allan, appointed president; A. C. Adam, vice-president; J. A. Northey, Jr.; Treasurer; E. A. Mateer.

Canadian Ribbon Tape Co. (Montreal)—Peter V. Catlos, appointed general manager.

Du Pont of Canada (1956) Ltd. (Montreal)—Leslie B. Lander, heads electronic data processing group.

Electric Reduction Co. of Canada (Toronto)—Dr. J. H. Jeffes, appointed director.

George Kent (Canada) Ltd. (Toronto) — Peter Hooper, appointed sales manager.

Jim Nash Assoc. Canada Ltd. (Toronto)—Erno F. Fabry, heads planning unit.

John Labatt Ltd. (London, Ont.)—J. H. Moore, appointed president; Col. Douglas B. Weldon, director.

Northern Ontario Natural Gas Co. (Toronto)—Kallman J. Edleman, appointed residential and commercial sales manager.

Reichhold Chemicals (Canada) Ltd. (Toronto) — John Wishart, appointed to direct sales and service of the Foundry Products division of the company.

Salada-Shirriff-Horsey Ltd. (Toronto)—H. Norden, appointed systems and procedure co-ordinator for the international packaged food company.

Simpsons Ltd. (Toronto) — L. E. Wicklum, appointed general manager, contract division; E. L. Rounding, general manager research and planning.

U. K. High Commission (Ottawa)—C. H. Wake, appointed First Secretary (agriculture and food).

Union Insurance Society of Canton Ltd. (Toronto)—H. G. Fitchett, appointed deputy manager for Eastern Canada.

Upjohn Co. of Canada (Toronto)—L. J. Haskett, appointed vice-president and general manager.

Zenith Radio Corp. of Canada (Toronto)—Lloyd B. Kiely, appointed vice-president.

S. A. ALLAN

has been elected president of the Canadian Paper Box Manufacturers Assoc. He is managing director of the Reid Press Ltd., Hamilton.

Can-Car Gets $2.6 Million Boost from CNR Contract

MONTREAL (Staff) — This week's $2.6 million **Canadian National Railways** order for 125 auto transporter cars is important:

- **To the limping rail car-making industry. The order went to Canadian Car Co.**, whose 2,200-worker Montreal operation has been virtually shut down.
- **In the fight for auto-carrying business among truckers and the two railways, CNR**, through use of its improved, company-designed auto carriers, should be improving its competitive ability both in relation to truckers and to **Canadian Pacific Railway.**
- **To auto-selling. The new auto carriers have been adapted to carry eight North American** cars or 10 European types in the large size; six or eight in the small.

This increased small-auto capacity may boost business both for the railway and sellers of small cars.

Fifty of the new auto carriers will be large ones, 75 small.

They are similar to the original 25 put in service 18 months ago. These were the first of their type anywhere.

The large ones are 78 ft. long, 34 ft. longer than a standard boxcar. The small are 60 ft. All have two decks.

Their development is partly in response to demands of the automaking industry which at one stage after the last war seemed to be abandoning rail transport almost entirely.

However, more competitive rail rates and improved rail operations — including the **CNR** special carrier — have won back much of this business from the truckers.

The increased capacity of the **CNR** auto carriers for European-made cars pushes forward the possibility of a two-way traffic, with North American makes moving toward eastern ports and imported European vehicles being carried back to inland markets.

As for the car industry, the order is obviously welcomed by order-starved Canadian Car.

The business recession brought with it a decline in rail car loadings which still continues. This has meant a sharp cutback in demand for new rail cars.

Canadair Pushing Foreign Sales

MONTREAL (Staff) — **Canadair** is redoubling efforts to get foreign orders for its sub-hunting CL-28 Argus Maritime Reconnaissance aircraft.

- **This week in Norfolk, Va., the Canadian plane builder is putting the sleek submarine hunter-killer through its paces for the benefit** of Saclant (Supreme Allied Command Atlantic) brass. Object: To get aircraft designated as a NATO weapon.
- On the other side of the world a Canadair sales team is in Australia hoping to sell CL-28s to the RAAF. Australia, like Canada has a vast coastal patrol problem, at present uses U. S.-built Lockheed P2Vs.

Since the first CL-28 flew in March last year, Canadair has turned out 15. All have gone to the RCAF. The aircraft have logged an estimated total 2,000 hrs. or 410,000 miles.

Were the CL-28 designated a NATO weapon, it would raise the possibility of major new orders for Canadair. Quantity, of course, would depend largely on who would pay for and who would use the aircraft.

In one respect, the CL-28 is already in NATO "service" with the RCAF.

New Issue

$1,840,000

City of Saskatoon

5¼% and 5½% Debentures

To be dated October 1, 1958

Schedule of Maturities

Sinking Fund Debentures (1)

Principal Amount	Interest Rate	Maturity October 1	Offering Prices (2)	Approximate Yield to Maturity
$962,000	5½%	1983	99.25	5.56%
306,000	5½%	1978	100.00	5.50%
63,000	5½%	1973	Sold	—

Serial Debentures

$519,000	5¼%	1959-1968	Sold	—

(1) A Sinking Fund has been established to retire all of the Sinking Fund Debentures by maturity.
(2) Plus accrued interest from October 1, 1958 to date of delivery.

We as agents offer the Sinking Fund Debentures maturing in 1983 and 1978 subject to prior sale, and change in price, if, as and when issued by the City of Saskatoon and subject to the approval of all legal matters by Messrs. Daly, Thistle, Judson & Harvey.

A circular describing this issue will be forwarded upon request.

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58-33

CCA Submits Suggestions For Federal Labor Code

A brief on the Industrial Relations and Disputes Investigation Act and other labor legislation has been submitted by the Canadian Construction Association to the federal minister of labor in response to a request for "considered suggestions" concerning the federal labor code.

Main points in the brief are:

- **A request for clarification of existing legislation concerning illegality of picketing and strikes in all their various forms.**

It advocated prohibition by law of such actions as refusal to cross picket lines, jurisdictional strikes, organizational strikes or picketing and secondary boycotts.

- **All public services and utilities** at all times be subject to a "no strike" clause.
- **Acknowledgement of the "right to work"** through legislation.
- **Appointment of enforcement officers** to carry out all provisions of the legislation.
- **All trade unions shall be required to obtain civil status as a legal entity** for the protection of the Canadian public against racketeering and other illegal acts.

Briefs have been submitted by the Canadian Construction Association and affiliated associations in Manitoba and Saskatchewan to the governments of the two provinces, recommending that:

- **Governments undertake** a comprehensive study of procedures governing the qualification of highway contractors.
- **Use of provincial forces** on public construction projects be minimized.
- **Provision be made for renegotiation** of unit prices in provincial contracts if there is a quantity variation of more than 15%.
- **Practice of granting a preference** for local contractors in the awarding of construction contracts be avoided.
- **Municipalities be encouraged to review their zoning** and planning regulations by way of stimulating the construction of low-cost housing.
- **Each government assume responsibility for the accuracy** of information on subsoil conditions in tendering documents for provincial projects.
- **Progress payments and release of holdbacks** and security deposits be expedited.
- **Efforts to promote** wintertime employment be continued.
- **Expansion of present program** of pre-employment apprenticeship training be promoted.

SHORTENS NAME

Kimberly-Clark Corp. of Canada has shortened its name to **Kimberly-Clark Canada Ltd.**

$5 Million Rail Orders Keep Dosco Mill Rolling

MONTREAL (Staff)—Orders worth $5 million from South Africa and India will keep **Dominion Steel & Coal Corp.'s** rail mill at Sydney, N.S., operating at capacity for at least three months.

Without them it might have been necessary to close the mill.

Operating rate for the whole Sydney steel plant will be boosted to around 70% of capacity compared with about 67% in recent weeks.

Although foreign mills have slashed export prices, Dosco successfully met world-wide competition.

Work already has started on 28,000 tons of rails for India, will be followed by 17,000 tons for South Africa. Last year Dosco had 50,000-ton orders from India and South Africa. The 1957 India order has been shipped; the South Africa order has just been completed.

Meanwhile Donald MacInnis, MP for Cape Breton South, has urged Ottawa to include Nova Scotia steel and coal in Colombo Plan commitments.

One catch: All expenditures must be approved by Defence Construction Ltd., which requires a minimum of three quotations on every job.

Requests for assistance under the plan are due from foreign countries next month. Some 90% of funds made available by Canada are funneled through Canadian industry.

Example: The $50 million Warsak project on Pakistan's Kabul River, scheduled for completion in 1961, is being built largely with Canadian materials.

MacInnis has asked Department of Trade and Commerce to divert requests for such products as rails, bars and wire rods, which are principal products of Dosco's Sydney plant, to Nova Scotia.

Your Will could be affected by the new Estate Tax Act

This new and important legislation may affect your present will. To provide an adequate opportunity for those who are affected to review their wills the new act will not come into effect for some months. A Royal Trust folder giving examples of the new rates is now available.

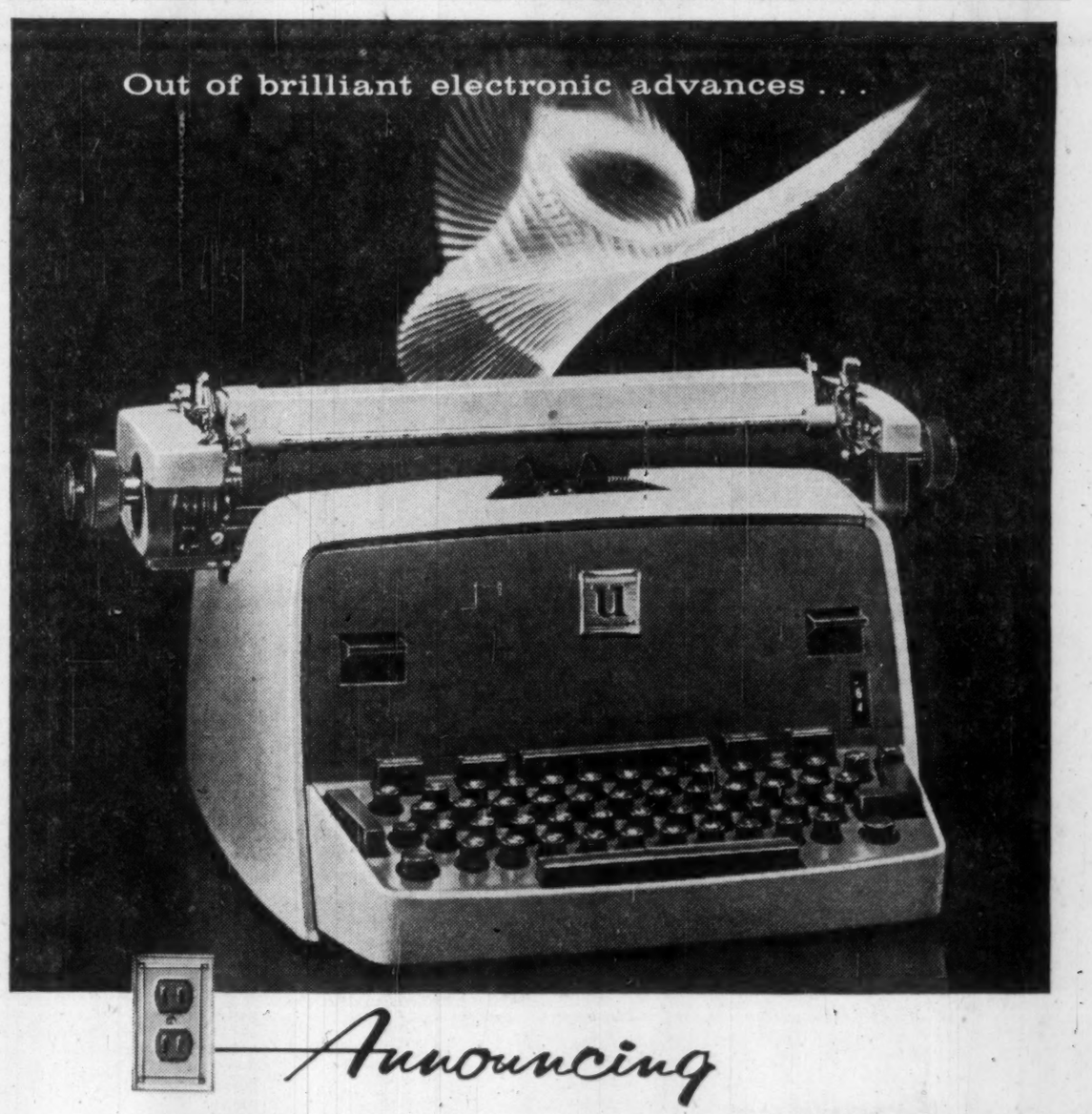
The Hon. Donald M. Fleming, Minister of Finance summarized the act's effect on existing wills in introducing the measure:

"I should like to make this statement as to the effect of the new tax in relation to existing wills. Under the succession duty acts, provincial and federal, liability for duty falls on the successor. Many testators provide in their wills that such duty be paid from the mass of the estate as a general charge like a debt. Such wills should require *no change*. However, wills without such a provision require alteration if the new tax is to be charged against all the successors rather than only against those who succeed to the residue of the estate. If this is the testator's desire he would have to provide instructions to his executors to apportion the amount of the tax as he wishes after payment has been made by the executors as required by the act.

"I would therefore urge all persons to examine their wills with the new tax in mind to ensure that when it comes into effect their testamentary intentions will in this respect be carried out. To provide an adequate period for this to be done, the new act will not be proclaimed for some months."

12 August, 1958, Hansard

THE ROYAL TRUST COMPANY



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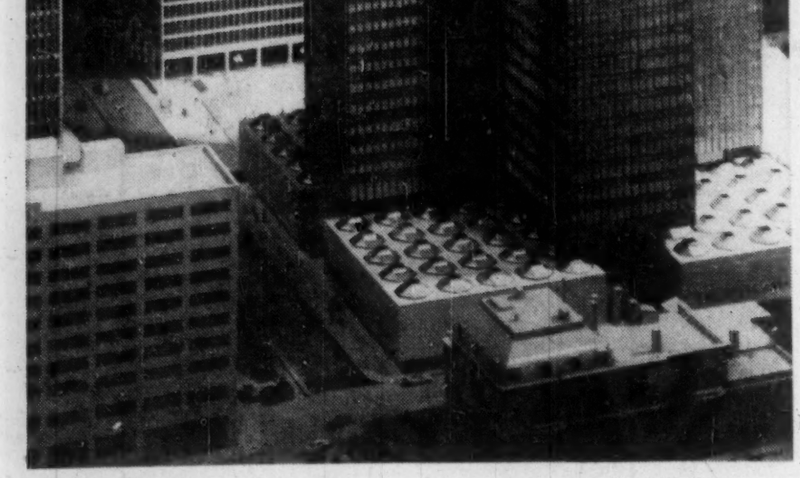

Ville Marie project in Montreal's Central Station area now commencing.

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Hole in Iron Curtain And it's Getting Big

(CONTINUED FROM P. 1)

ed, curiously enough, and so did the shock of discovering that the Russians could also make H-bombs.

It took all this and more to make the big atom powers, the U. S., Russia, Britain and Canada, realize that none of them, individually or in concert, could maintain forever a monopoly over the secrets of atom energy.

It needed all this to remind us that, while the great powers had made the major contributions it was still:

- **An Italian-born scientist,** Enrico Fermi, who in the early 1930s took out patents on methods to slow neutrons—a key to present atom power plans.
- **Two Germans** who first proved that they had split the uranium atom.
- **A team of Frenchmen** that first demonstrated that an atomic chain reaction would be possible by proving that when the fission, or splitting took place it produced two or more neutrons—more than enough to keep the reaction going.

Since then, a Yugoslav physicist, Dr. Popovic, with none of the great atom labs of the West or East to help him; showed that he needed only pencil and paper to calculate from published information the amount of uranium 235 needed to make an atom bomb.

At this conference, and at a time when methods of enriching urnium are so highly classified that Britain and the U. S., which exchange data on the manufacture of atom and H-bombs, exclude exchanges on gaseous diffusion from all their discussions. France has gaily gone ahead and published full plans of its own.

India, after hearing several nations express the opinion that atom energy was and must remain for a present a toy of the big powers, blandly announced that it would not only operate, but also manufacture from materials of its own, a fair-sized atom power plant.

It has meant a great deal here in Geneva, as it did when the first of these conferences was held here three years ago, to discover the lucid way in which scientists from all the smaller nations have been able to discuss and contribute to the solution of the problems as widely separated as:

- **The taming of H-bombs.**
- **The chemical separation of waste by-products at atomic reactors.**
- **The use of radioactive materials to diagnose and cure disease.**
- **Giant atom-smashing engines to wrest the great fundamental secrets of the atom nucleus.**

Because of the lesson learned already from the Sputniks, it did not really come as a shock to the West to discover that the Russians, who had already announced some of their work, were now probably neck and neck with the West in the great race to tame the H-bomb and draw limitless amounts of energy from the sea.

It has, perhaps, come as a bit of a surprise to some to realize that much of this and other advanced work in very different fields, goes back a long way and was not all learned from secret agents.

The pleasantest surprise for all of us, and a fact that is only becoming apparent as members of the various countries lose their initial shyness, is that scientists of all the different countries are very human indeed, and far more so than most of the baby-kissing politicians.

That lesson, like most of the others, could have been learned last time, of course, at the 1955 meeting, but the policy-makers were not quite ready for it.

Now there is no escaping it.

The barriers are down and the foundations have been securely laid for more conferences of this sort (but never, we hope, as big as this was).

One group after another, and this includes the Americans, has stated its hope that there will also be many smaller, more specialized and informal meetings.

So far as the relative positions of East and West are concerned, I think the results here have been a little reassuring, however, at least so far as the present is concerned.

Both Russia and the U. S. made major bids to impress each other and the rest of the world by their scientific exhibits here.

They have succeeded, but there is no exhibit here in the same street as that of the U. S.

They have uprooted whole laboratories from the U. S. and brought them over here complete with their staffs.

It would be equally wrong to overrate Russian achievements in the applied nuclear energy field.

At the beginning of the conference the leader of their delegation, Prof. Amelioranov, was driven by a press conference to confess that since the 1955 meeting, when the USSR announced the completion of one small and not very significant power station, not a single new atom power station had been completed.

Half way through the conference, he received a telegram from Moscow telling him that one of the 100 megawatts electrical output, the first of a batch of six, had just started up.

They then showed us a film of this station which pretty clearly indicated that it was, like Calder Hall, a dual-purpose station primarily intended for the manufacture of military explosives.

In detailed design it was built more along the lines of the U. S. Hanford water-cooled reactors that have never been used to produce power.

Altogether, the news that Russia had to give us in this field was a striking anti-climax to the proud announcements of several years ago that she would by 1963 have more atom power stations working than the whole of the Western world hoped to have going by 1965.

The main criterion in all these matters, however, is not what has been achieved by any country on any given date but the rate at which its work manpower and plans are expanding.

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U.S. Ford Labor Agreement Might Bring Peace Here

Prospects of settlement this week of the UAW-Ford labor dispute in the U. S. brought some hopes of continued peace and new model production in Canada.

Contracts in the Canadian auto industry have already expired. Negotiations are stalemated.

The picture:

At General Motors and Chrysler they are awaiting decision from the Ontario labor minister whether to set up a conciliation board. At Ford there's an application for conciliation.

UAW has asked GM and Chrysler to close the 45c gap between Canadian and U. S. auto industry workers, while the demand at Ford is for a general 20c an hour plus 20c hourly for skilled trades.

The Big Three's offer: A two-year extension of the expired contract, which would mean improvement factors annually of 6c an hour.

* * *

Labor trouble and unrest still bubble vigorously from coast-to-coast involving some 250,000 workers in these industries:

Steel, nickel, oil, beer, railways, gypsum, pulp and paper, shipbuilding, shipping on the Great Lakes, Pacific and Atlantic coasts.

Into the boiling pot this week climbed some 450 striking cement masons who threaten tie-up of some $100 million in construction in the Toronto area.

And some 3,500 Toronto civic employees engaged in various sanitation services are on the brink of striking.

The only bright news from the labor front came from B. C. where construction on 225 projects worth more than $50 million was back in full swing after contractors and plumbers settled their 19-week strike.

Plumbers won 26c an hour—but lost an average $2,050 in wages which, it's figured, will take them five years to recover. Total wage loss is estimated at $6 million.

At Sudbury, **International Nickel Co.** and the Mine, Mill and Smelter Workers resumed contract negotiations after union members voted five to one in favor of strike action, if necessary. A strike seems imminent.

At Hamilton, Canada's largest steel plant, **Steel Co. of Canada,** sits idle before 8,000 striking steelworkers. There's practically no hope of a settlement in the near future.

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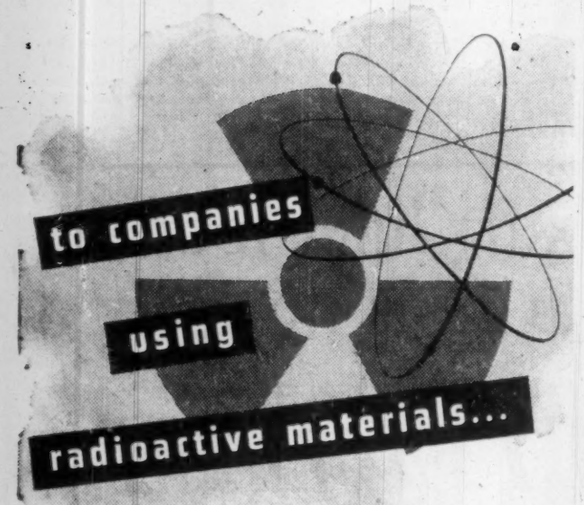

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Montreal Talks Making Progress

(CONTINUED FROM P. 3)

really back of the plan (with Mr. Diefenbaker's most active support), was taken by surprise when the president added his third point, about the international development agency to be affiliated with the World Bank. They don't much like it. (See more under "development").

2. How to get development capital for Commonwealth countries.

This probably ranked about second in the order of priorities which the underdeveloped countries seemed to establish — though the emphasis varied a good deal between them.

Perhaps the severest claim came from Mr. Desai, India's finance minister, who has just had to raise loans from Washington, Ottawa, London and Bonn, and to strictly curtail India's development program because he has run out of foreign exchange. A World Bank report on India said it had been trying to push the pace of development too fast. Mr. Desai talked a little about the poverty in India, with an average per capita income of $60 a year; and made it clear that calculating machines would be needed —instead of human beings—if it was forbidden to try to force the pace.

Mr. Desai suggested that some of the rich countries might even exercise some restraint over their own consumption in order to save some capital for Asia development. He is the right man to make such a plea, for he is a strict Hindoo: as chief minister of Bombay he was responsible for the rigid prohibition laws there; and this visit — to London first, and then to Montreal — is the first time he has left India.

The proposal for a Commonwealth Bank, or other form of commonwealth lending agency, was talked about in a rather desultory way. Nobody pressed for it very hard; several countries doubted its usefulness, but said their minds were not closed. A working party will look into it.

The increase in the World Bank's resources suggested by Mr. Diefenbaker and Mr. Eisenhower was generally welcomed, though few people think it will be a complete answer.

There is more divergence of view about the proposed World Bank affiliate, which is to make loans which the bank could not make, without taking any repayment except in local currency. The needy countries of Asia think there may be something in it.

But British ministers regard it in the same way as they regarded the earlier Canadian suggestion of a Commonwealth agency to function in much the same way.

They are afraid it is just another plan which would make them put up sterling capital without any control over how— or where—it is spent.

The present inclination in London is to insist that any further loans or advances made by U. K. to the Commonwealth shall be under section 3 of the Export Credits Guarantee Act (FP, Sept. 13).

This, it is explained, is the only authority the government has without going back to Parliament, but when they are pressed U. K. ministers admit that they mean their new loans to be "tied" to the purchase of equipment in U. K. They have disbursed enough, they say, without strings—specially in the drawing of sterling balances by their holders, which may be spent anywhere.

London's final point is that this year U. K. has had a substantial credit balance with the rest of the sterling area. Therefore, the U. K. government says it is only right for it to lend some of this back to the Commonwealth. The credit balance has been put at £300 millions; but there is no idea of using anything like as much as this for new loans.

3. How to provide aid.

Heavy emphasis on technical training and higher education is confirmed in both Canadian and U. K. approaches.

Something will certainly be done: it's too early to know just what.

4. How to stabilize prices.

This looks like being the biggest subject of the conference. Every country except U. K. (and Canada in a minor degree) has put its major emphasis on this.

No purely Commonwealth arrangements are possible: U. K. is not going to pay more than the world price for its industrial materials.

Nor does any of the familiar forms of commodity stabilization agreement seem workable —specially with Russia in a position to break them.

This deadlock, curiously, has opened one of the most exciting possibilities of the conference, though it may never get off the ground at all.

The urgency of stabilizing the commodity markets being so heavily stressed, the ministers here might make a really imaginative effort to use this as the starting-point for a properly concerted effort by the whole free world to counter the Communist economic offensive.

If anything of the sort is attempted, it would be the conference's greatest accomplishment, but there is a lot of work and consultation still to be done: and you can never bet on any imaginative move coming off until the paper is signed on the dotted line.

5. European common market and free trade area.

Many of the Commonwealth members are unhappy about developments. They are uneasy about what U. K. may have to give in order to get the European Free Trade Area at all: but they are even more disturbed about how the European Common Market will hurt their exports.

A number of them — Ghana was prominent in this — made vigorous protests during the GATT hearings on EEC. U. K. supported them: and the GATT report on EEC to be published soon will give them a lot of justifications.

On the Free Trade Area, Mr. Maudling still insists that Britain can get it without hurting any Commonwealth interests (beyond any losses accepted in the U. K.'s original proposal) — when, and if, it can get it at all.

Although the French government is now regarded as being much less hostile and more flexible than it used to be, it is also in a state of flux. Extremely occupied now with getting a new constitution, it will have to spend the rest of the winter making it work.

There is some doubt whether it will be able to give enough attention to trade matters even to get an agreement in principle before the end of this year. But Mr. Maudling is both pertinacious and persuasive: and he keeps on trying.

To Ask Probe Into Canada's Money Policy

From Our Own Correspondent

SAINT JOHN — The Atlantic Provinces may press for a Royal Commission inquiry in Canadian monetary policy at the forthcoming meeting of premiers — scheduled for St. John's, Newfoundland, opening next week.

Also likely to be pushed is a view that "Eastern Development" must not be side-tracked in pursuit of a Northland development program.

Premier Hugh John Flemming of N. B., at a N. B. Federation of Labor convention, gave strong indications that the two views are firmly in the mind of his government.

The premiers of Nova Scotia, Newfoundland, Prince Edward Island and New Brunswick have been holding regular joint sessions on regional issues.

Premier Flemming said there is so much remaining to be done in the way of eastern development that he finds it difficult to become too enthusiastic about northern development plans. He said:

- **Seasonal unemployment, income levels at two thirds of the national average** and transportation problems, he saw as the consequences of a lack of secondary industry.
- **On finance policies: "We missed a good deal of the boom. Inflation has not been the great problem** it has been elsewhere. Yet, just as we were feeling the good results of economic pickup, the new surge was choked off by the tight money regulations.

"The policy — whatever its merits elsewhere — has not worked well in the Atlantic region."

He said he is still of the view that the advantages and disadvantages of the present monetary policies should come under study by a Royal Commission.

U.K. Group Out, U.S. In, But BCE Sale Still Stalled

From Our Own Correspondent

VANCOUVER — Sale of the **British Columbia Electric Co.'s** $17 million Vancouver and Victoria transit systems to a U. S. operator, General Timothy Manning, received a setback when Vancouver city council voted 5-2 against the sale.

The council has no power to prevent the sale but it will use its influence in persuading the provincial Public Utilities Commission not to approve, if a deal is ever agreed upon.

Negotiations between BCE, which will sell if the price is right, and General Manning, who would operate the system for the purchaser, have been going on all summer (**FP**, Aug. 16, 23) and have repeatedly stalled.

The British group which was interested in the deal seem to have backed out.

A new group from the U. S. is investigating the structure, equipment, past and future of the system.

It is believed this new group ha headquarters in Chicago.

Dr. H. L. Purdy, executive vice-president of BCE, told councillors that their disapproval would probably influence the U. S. interests. He said the new group was extremely reliable.

Council disapproved the sale because it would separate the power and transit divisions of the company to the possible detriment of the public.

The new U. S. group is now being offered the equipment for $10 million, about $4.5 million below book value, as an inducement to buy.

Dr. Purdy said that about $8.5 million would be supplied by the new group of investors.

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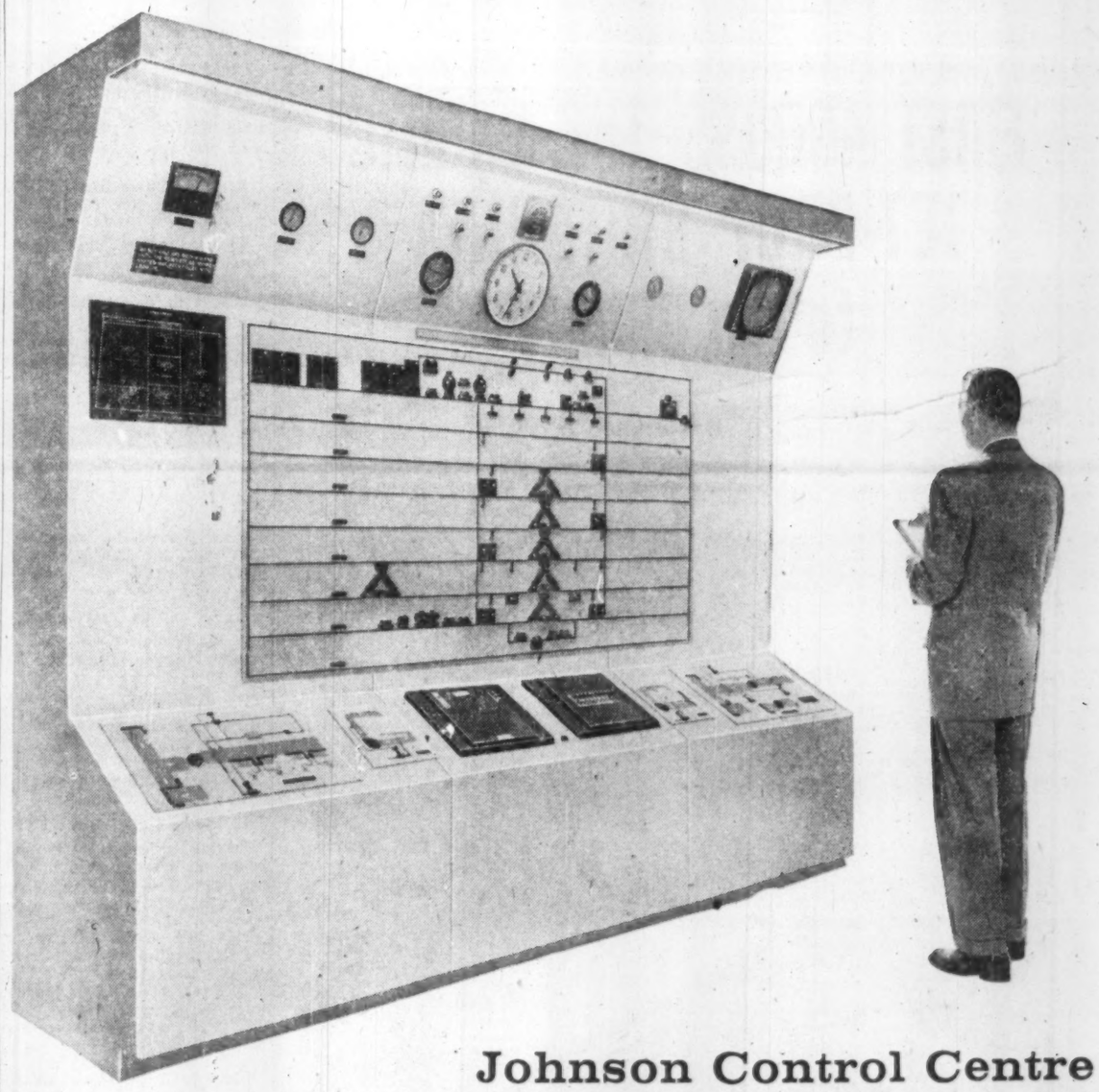
ANNOUNCEMENT

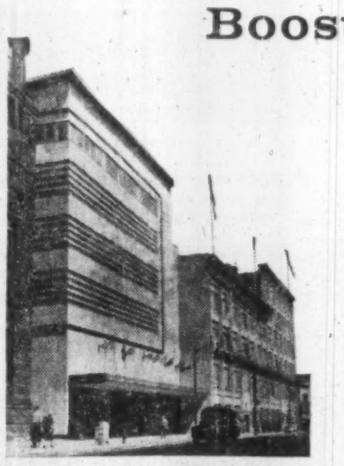
Kodak Appointments Announced

R. LAIRD B. JOYNT — KENNETH WINTER — KENNETH M. MITCHELL

Three appointments at Canadian Kodak Co., Limited, Toronto, have been announced by Donald C. Kerr, president. R. Laird B. Joynt, who was elected treasurer three years ago, will assume the additional duties of comptroller. Kenneth Winter, formerly comptroller, has been named director of industrial relations. Kenneth M. Mitchell, former manager of Eastman Photographic Materials Ltd., Calgary, who joined Canadian Kodak in 1956, has been appointed an assistant sales manager.



Johnson Control Centre Boosts Air Conditioning Efficiency at Eaton's Hamilton Store



T. Eaton Co. Ltd., Hamilton, Ontario. W. R. Souter & Associates, architects, Hamilton; R. P. Allsop & Associates Ltd., mechanical engineers, Toronto; Pigott Construction Ltd., general contractor, Hamilton; Weather Systems Ltd., air conditioning contractor, Toronto.

This modern Johnson Control Centre allows one man to supervise the operation of all 22 air conditioning systems in the Hamilton, Ontario, store of T. Eaton Co. Ltd.

The panel shows the operating status of each of the systems and indicates the temperatures at key control points throughout the store. Visual indicators instantly spot the location of any fault in equipment operation, while graphic representations of the various systems and their Johnson Controls give the engineer a clear understanding of the entire installation. These and other aids assure smooth, efficient air conditioning operation and consistent, year 'round comfort for customers and employees.

Originally installed for the store's new air conditioned addition, the Control Centre now also provides centralized supervision of eight air conditioning systems in the older building as well. Eventually, should the entire store (only part of which is visible in the photograph) be air conditioned, all systems could then be linked to the Control Centre. Thus, in the future, it may be an even greater aid in providing comfort and saving operational time and dollars.

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Where to go – how to go – where to stay

See Old France, Just Beyond Your Doorstep

From Our Own Correspondent

ST. JOHN'S—Sixteen miles off the south coast of Newfoundland lie the charming French islands of St. Pierre and Miquelon. They are a glimpse of Old France, right on Canada's doorstep.

The cluster of eight little islands that make up this colorful overseas territory of France covers an area of only 93 sq. miles.

In this peaceful little community, law and order is easy to enforce. Gendarmes (in typical French uniform) are few. The only weapons on St. Pierre are six rifles—used by the police on ceremonial occasions only.

During the war, this was a centre of Free French activities and today the majority of the islands' 5,000 - odd inhabitants are ardent de Gaullists.

Fishing is the major industry. Tourism is next.

St. Pierre, the main island and government seat, is the most interesting stop for the tourist.

On arrival you are asked to exchange Canadian dollars for French francs at the gendarmerie.

A hint: Don't change all your money. Keep a few dollars handy for shopkeepers. They like to use them on visits to Canada.

St. Pierre appeals particularly to the shopper. A free port where European luxury goods enter duty free, its 100 - odd shops are well stocked with bargains.

Best buys include exotic perfumes, dainty lingerie, lace goods, watches, china and cameras.

Liquor is a special bargain. There was a lucrative rum running trade during prohibition days.

Every store, whether it is specializing in hardware, ladies' goods or food has a corner devoted entirely to wines, liqueurs, whisky, rum, etc.

The visitor will find by-the-glass drinks extremely inexpensive (25c for a glass of excellent whisky).

Canadians who spend at least 48 hours in the islands may bring home $100-worth of duty-free purchases including not more than one carton of cigarettes and one bottle of spirits or wine.

Accommodation is not in the luxury class, but comfortable and cheap.

Two of the best hotels are the **Robert** and **Mme Lefeuvere's.** Rates range from $6 to $8 per person a day—including meals and wine.

Drinking water is in short supply, so wine flows freely at all meals.

Food (typical French cuisine) is excellent.

Colorful Fall Festival Time

Canada's countryside will soon be dressed in glorious Fall colors. Many areas plan special festivals to celebrate this beautiful season.

The **Muskoka** resort region of northern Ontario will stage its seventh Cavalcade of Color from Sept. 27 to Oct. 5 with fairs, fireworks displays, band concerts, etc., at Bala, Baysville Port Carling, Gravenhurst, Port Sydney, Bracebridge and Huntsville.

Grape and harvest festivals will be staged in the **Niagara Peninsula.**

At **Mont-Laurier,** in northern Quebec, a gay Forest Festival will take place from Sept. 25 to 28. Special features: a 28-mile canoe race over tricky rapids, folklore pageants, street dances.

Here is a sample dinner enjoyed by **FP** correspondent on a recent visit to Restaurant Dutin: consommé tapioca, hors-d'oeuvres variés, homard à la Russe, poulets rôtis, pommes de terre à la Parisienne, salade, île flottante, café. Vins: d'Alsace and St. Emilion.

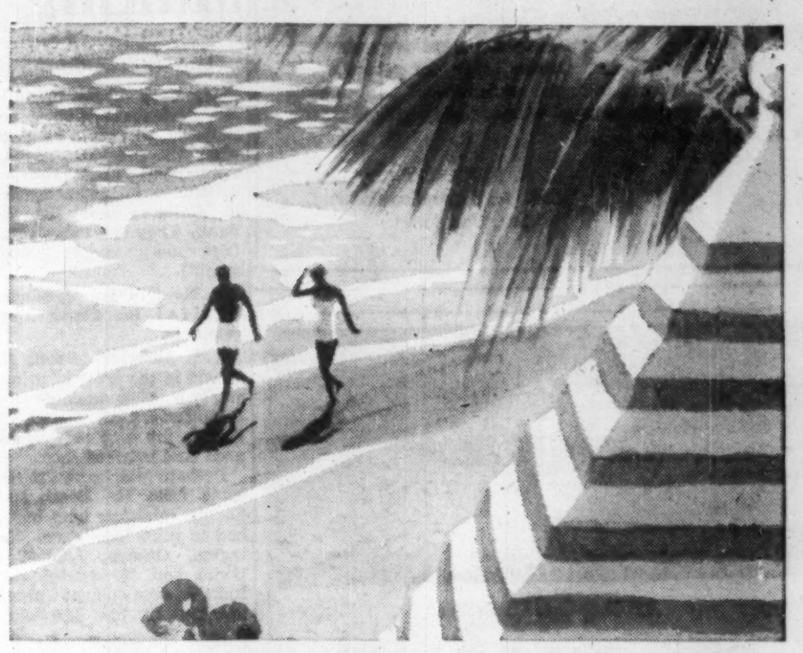
Taxis on St. Pierre are cheap —less than half the fare charged in Toronto or Montreal. Most of the cars are of French manufacture with pip-squeak horns —blown incessantly by the driver as he winds his way along the narrow, twisting streets.

There are no traffic rules, and the horn is the signal for cars, bicycles, pedestrians, dogs and goats to "get out of the way."

Eastern Provincial Airways offers scheduled flights from Newfoundland to the end of September. Return fare $52.

Charter service is available after Oct. 1, from Sydney and Gander.

Daily ocean ferry service is offered throughout the year from Fortune, Nfld. (275 miles by road from St. John's). Return fare: $15 per person.



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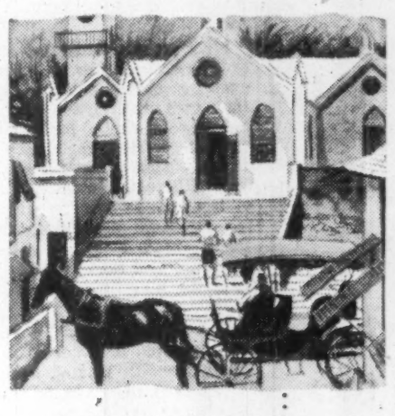

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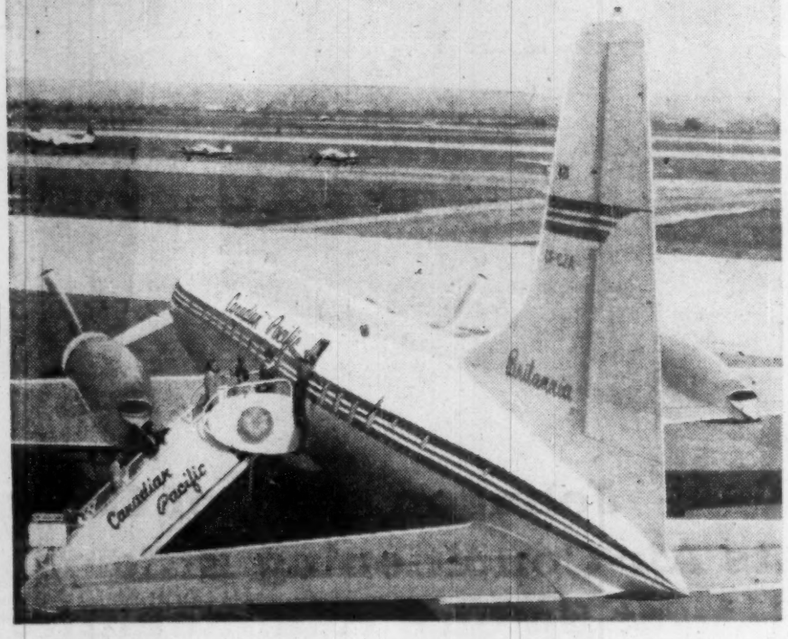

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Travel Briefs

From Apr. 15 to Nov. 27 of next year, the **Cunarders** Saxonia, Ivernia, Carinthia and Sylvania will make a total of 43 eastbound crossings from Montreal. On all these sailings the four 22,000-tonners will call at Quebec to embark passengers for Europe.

* * *

Nassau had a record crop of tourists this summer, according to **Pan American World Airways.** During July, 16,447 North American visitors arrived by sea and air, compared to 16,331 in 1956, which was a record year.

* * *

Special service for the Europe-bound air traveler who buys a car overseas is offered by **Shipside Car Delivery Service** in co-operation with **KLM.** Shipside will arrange to have the car at any European airport on arrival of the passenger. For the return trip, the traveler drives the car to the airport where it is picked up for immediate transportation by sea to Canada.

* * *

Cunard's luxury liner Mauretania will make five holiday cruises to the West Indies and South America between Dec. 23 and April 7. Voyages lasting from 12 to 18 days will call at from five to ten ports. Minimum fares from $320 to $525.

* * *

A discount of 5% on car rental is offered by **Hertz Rent-A-Car System** to round-trip passengers on specified air lines and railroads in Canada and U. S.

* * *

Japan Airlines plans to advance its global DC-8 jet service by two years. JAL's Tokyo-London-New York-Tokyo service is now scheduled to start in 1963 instead of 1965.

* * *

CNR will cut transcontinental rail service from two passenger trains daily to one this winter. In recent years there has been a drop in winter trans-continental passenger volume, but an increase in overnight inter-city travel. Heavy demand on the coast-to-coast route over Christmas and Easter will be met by operating extra sections on the Super Continental. The twice-daily service will resume next summer.

Ellinor Village, 650-unit resort motel at Daytona Beach, Florida, offers free golf privileges to guests. Effective Sept. 15, guests may play as many rounds as desired at the historic 18-hole seaside golf course.

New, eight-day Bermuda tour offered by **Pan American World Airways,** includes transportation, accommodation and a sightseeing tour of the ancient town of St. George or all-day launch cruise. Cost from Toronto: $190.50.

New Centre to Aid Toronto Visitors

A new information centre opened Sept. 18 by the Metropolitan Toronto Convention and Visitor Association, is located on **Ford Motor Co.** property on the Queen Elizabeth Highway.

Visitors entering the city from the west on this busy highway can seek advice and information on Toronto's many tourist attraction and facilities, hotels and motels, etc.

Two other information centres, located in the east and west ends of the city have been in operation for more than 20 years.

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In addition the analyst may be required to be a specialist in one branch of organization and methods work such as forms development and control, supply and accounting systems, communications analysis and design, etc.

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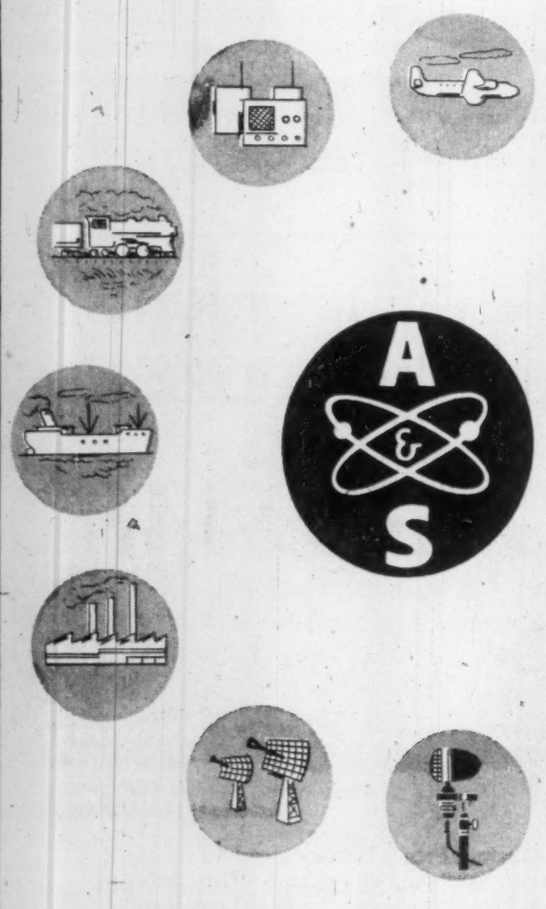

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Who Owns Cockshutt Co.? Street Not Really Sure

By PAUL S. DEACON

The identity of the new controlling interests in **Cockshutt Farm Equipment Ltd.** may be the subject of some close questioning at the forthcoming special meeting of shareholders next week.

Despite denials, street rumors still insist that Leopold Silberstein and Jacques Sarlie, formerly key figures in **Penn-Texas Corp.** deals in the U.S., are closely involved in the Cockshutt takeover.

Against this, one source close to the company told FP: "We have been assured that neither Silberstein nor Sarlie are involved except to a minor extent. Sarlie owns a small number of shares, but beyond that, we are told, they are not involved in the change of control."

Sarlie himself told FP that he was not seeking control of Cockshutt (FP, Aug. 2). "While I am a client of **English Transcontinental** (the U.K. merchant bank which is now seeking majority representation on the Cockshutt board), they are not acting for me and I am not acting for them."

English Transcontinental took an active role at the time Penn-Texas was buying up shares of **Fairbanks, Morse & Co.**, Chicago.

A Penn-Texas proxy statement noted, for instance, that about Aug. 1, 1956, the U.K. bank transferred 50,000 Fairbanks, Morse shares to **Union Bank of Switzerland** (including 10,000 bought from Sarlie). The same day, the Swiss bank sold the 50,000 shares to Penn-Texas, of which Silberstein was then president.

Understood to be taking an active hand in the Cockshutt negotiations is Peter M. Cats, New York investment man. Cats is a son-in-law of Silberstein.

Cockshutt directors were told by English Transcontinental that the shares had been acquired "for the purpose of investment." The U.K. firm's representative, **Guardian Trust Co.** of Montreal, told the company English Transcontinental intended **"to do everything in its power to further the well-being of the Cockshutt organization, and that they fully support the company's present management and policies."**

On the other hand, some investment men see Cockshutt's present attraction as a possible liquidation prospect. For instance, a recent research bulletin issued by the Wall St. firm of **Shearson, Hammill & Co.** listed Cockshutt among 18 stocks attractive as "asset plays."

Explained the investment letter: "Reduced to its simplest elements, a stock can be considered attractive as an 'asset play' if the market value of the shares is substantially lower than the indicated value of the company's net assets, and if there appears to be a good chance that these assets will be converted into cash or into new and more productive assets, thereby enhancing the value of the stock.

"Utilization of tax loss carry-forwards and acquisition of other companies, perhaps in unrelated fields, often are involved."

The letter calculated that Cockshutt had a net working capital, after deducting senior securities, of $13.91 per share and a book value of $18.01 per share. Its recent price: $13 a share.

"It would be a complicated business trying to split it up," one investment man told FP. "Brantford Coach, which is a profitable subsidiary, has $1 million funded debt outstanding against it. I doubt that breaking the company into several pieces would bring much."

On the other hand, a professional investor told FP he had bought shares on the strength of New York indications that an "asset play" was in the making with Silberstein and Sarlie running the show.

"I almost sold my shares when it looked for a moment as though a group of fine old English gentlemen had got control and were going to let it continue to be run as a farm implements business," he said.

Purpose of the meeting Sept. 23 is to consider an increase in the number of directors from eight to nine. It is proposed that English Transcontinental and its associates will have five nominees on the board, in recognition of their holdings of 30%-50% (and thereby effective control) of Cockshutt's 1,071,310 common shares.

It is unofficially estimated that they hold close to 450,000 shares, which leaves them perhaps 100,000 short of actual numerical control.

Pinch on Profits Is It Ending?

In most firms, recession has put the pinch on profit margins —and it's beginning to hurt.

This has been the case despite — in some firms anyway — still buoyant sales.

But there's reason to believe that a turning point is near. At any rate, evidence is accumulating that the worst of the decline in profit margins may be just about over.

In a number of leading Canadian firms, profits as a percentage of sales are tending, over-all, to fall less abruptly in the first half of this year than they did in similar periods in the recent past.

And in a few cases, profit margins in the second quarter of this year are showing improvement over results in the first quarter.

This could foreshadow a turning point in the economy's recovery.

Here are some examples, compiled by FP:

Ratio of net profit to sales or gross revenues:

	1956	1957		1958	1958		1957	
	2nd half	1st half	2nd half	1st half	1st Qtr.	2nd Qtr.	1st Qtr.	2nd Qtr.
	%	%	%	%	%	%	%	%
Abitibi Pow. & P.	11.1	9.9	8.9	7.1	..	..	..	..
Aluminium Ltd.	12.9	11.3	6.7	4.9	5.2	4.8	12.1	10.3
Atlas Steels	8.6	6.4	6.0	5.8	3.9	7.4	8.2	4.4
Bell Telephone	12.6	12.5	11.2	11.8	11.5	12.0	12.5	12.5
Cdn. Breweries	4.0	2.8	4.9	2.9	3.0	2.9	3.0	2.6
Gt. Lakes Paper	11.8	8.6	6.4	5.4	5.6	5.3	9.5	7.8
Imperial Oil	7.9	8.5	7.8	6.0	..	..	..	..
Int'l Nickel	20.3	20.4	18.5	12.9	14.3	11.4	21.4	19.5
Int'l Utilities	10.9	16.7	8.7	17.0	21.8	10.0	21.1	9.4
MacMillan & Blo.	8.8	5.5	4.2	5.8	4.1	7.3	4.6	6.4
Noranda Mines	40.5	36.5	29.6	26.3	25.6	27.0	37.9	35.0
Zeller's Ltd.	5.6	2.6	5.4	2.2	..	..	..	..

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Ad & Sales Club Offer Fall Course

The University of Toronto's Extension Department and the Advertising & Sales Club of Toronto will offer a fall course in sales management.

It will be in workshop form and replace the salesmanship courses. Five of the 10 sessions will be lectures by authorities in the sales management field.

This workshop is open only to persons in executive or supervisory sales positions who have had some formal training through extension courses. Enrolment is limited to 50.

ANNOUNCEMENT

H. A. BABCOCK | E. G. JORGENSEN | R. E. CRYSLER

Mr. H. A. Babcock, P.Eng., President of H. A. BABCOCK & COMPANY LIMITED, CONSULTING ENGINEERS of 119 Isabella Street, Toronto, announces the election of Mr. Eric G. Jorgensen, P.Eng., and Mr. Ralph E. Crysler, P.Eng., as directors of the company and the appointment of Mr. Jorgensen as Vice-President and General Manager.

Mexlight Profit Is Down 39%

Consolidated net profit of **Mexican Light & Power Co.**, Toronto, was $1,455,759 for the first six months of 1958. This was 39% lower than first-half 1957 net of $2,386,574.

For the second quarter of this year, gross operating revenue totaled $11,288,389. Net operating revenue was $9,904,712.

After deduction of $964,173 in financial charges on debt, net profit for April-June was $419,504.

Interim earnings figures were announced in a letter to shareholders this week, which also announced that company had placed privately $4.5 million (U.S.) 6% first mortgage bonds due Aug. 1, 1983, with a small group of institutional and other investors.

Seven U.S. life insurance companies in five states purchased the bonds.

"We understand that the majority of them had never before purchased any bonds of companies whose operations are conducted outside the U.S. and Canada, and that none of them had previously purchased securities of companies operating in Mexico," Chairman William H. Draper, Jr., told shareholders.

This year's operating results were adversely affected by higher fuel cost of increased thermal generation due to unsatisfactory 1957 rains, and higher wage expense under a new contract effective last March 16.

Rainfall this summer has been above normal, and substantially higher than last year.

At Aug. 31, volume of stored water in reservoirs of Mexlight and of Federal Electricity Commission was twice as great as a year earlier.

Earnings should improve in second-half 1958 as a result of greatly reduced steam generation, the chairman said.

But an important factor bearing on this year's earnings will be the timing of a rate adjustment which Mexlight is seeking, to compensate for the additional wage expense.

Its rate application is now under study by the Tariff Commission.

Here is a comparative summary of unaudited first-half consolidated earnings for this year and last:

Six Mos. Ended June 30:	1958 $	1957 $
Gross oper. revenue	22,878,120	20,532,312
Oper. expense*	19,504,035	16,504,606
Net oper. revenue	3,374,085	4,027,706
Fin. charges on debt	1,918,326	1,641,132
Net profit	1,455,759	2,386,574

*Including taxes, depreciation, other expenses.

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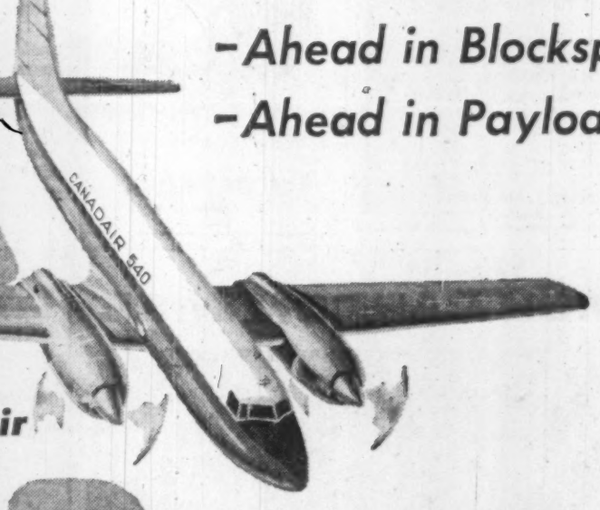
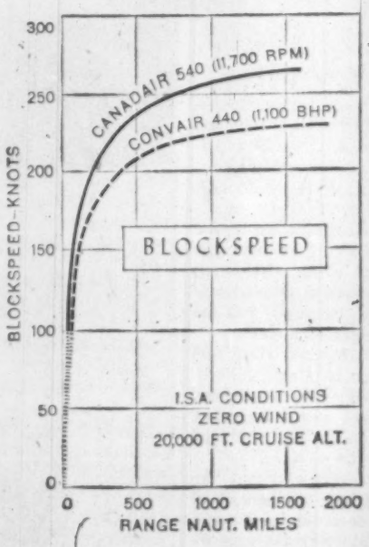
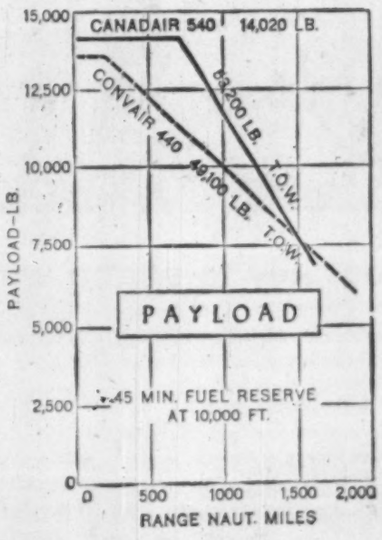


540 TURBO-PROP
For short-to-medium routes



Graph at left shows the significant improvement in speed available in the turbine-powered "540" compared with the "440"—as much as 34 knots at a range of 1000 nautical miles.

Graph at right shows that the earning potential of the "540" is greatly increased. It is capable of carrying 48 passengers, plus their baggage, plus 4210 lbs. of cargo (total payload: 14,020 lbs.) a distance of 680 nautical miles. This represents a payload increase of 365 lbs. over the "440", and a range increase of 500 nautical miles.



Furthermore, with its Napier Eland turbine power, the "540"s max gross weight is increased 4100 lbs. over the "440" (up to 53,200 lbs.) . . . and the "540" can reach cruising altitude of 20,000 ft. in half the time (15½ mins. vs. 35 mins.). The "540" builds on the well-known and excellent record of the "440", and is altogether a new airliner unsurpassed in performance characteristics and earning power.

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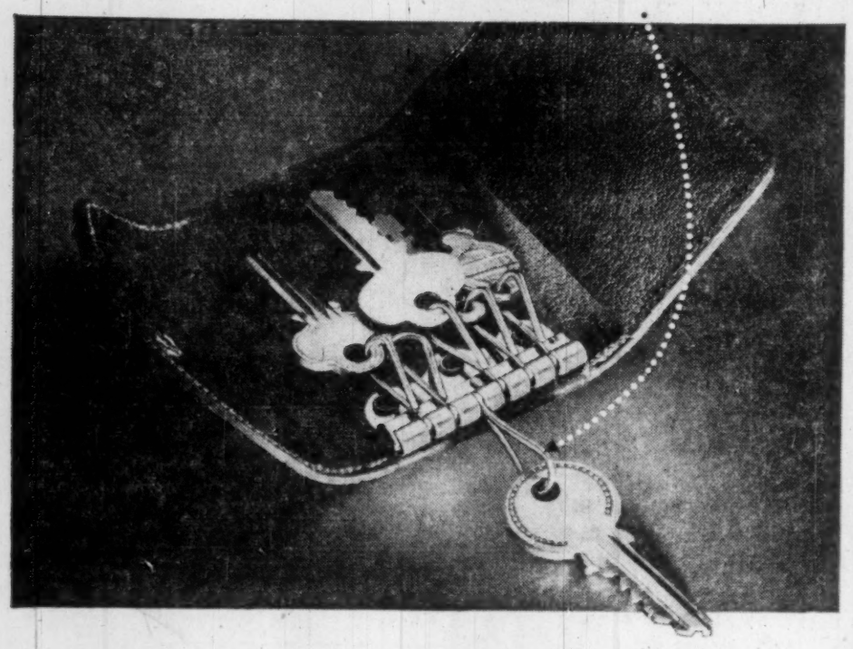

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Your Taxes

An exclusive FP column of comment on the trends in personal and business taxation.

By JOHN G. McDONALD, LL.M.

Personal Co. Status Changed by Death?

In the case of **Settled Estates Ltd. v. Minister of National Revenue**, the Tax Appeal Board held that a personal corporation becomes an ordinary taxable corporation when the controlling shares pass to executors on the death of the principal shareholder.

The reason given was that a personal corporation must be controlled by an **individual** resident in Canada or by a person on his **behalf**, and that an estate is not an individual for this purpose.

The Board apparently overlooked the provision of section 63(2) of the Income Tax Act under which an estate is "deemed," that is, conclusively considered, "to be in respect of the estate property **an individual**."

When personal corporation shares become part of estate property, the estate is an "individual" owner of those shares and the corporation's status would appear to be unchanged.

'Tied House' Sums Considered Income

The recent English case of **Evans v. Wheatly** will be of interest to businessmen receiving payments in consideration of their agreement to handle the payor's products exclusively.

The expression "tied-house" originated in England to describe a pub that was "tied" to a brewer under an agreement requiring the publican to handle no competing brands of potation.

The Evans case involved a service station owner who received £575 as part of an amount payable by **Regent Oil Co.** to reimburse the taxpayer for expenditures on "sales promotion, co-operative advertising and dealer display." The taxpayer, in turn, had agreed to handle Regent products exclusively but did not in fact increase his normal advertising budget.

The High Court held that the amount received was income, even if it was really consideration for the "tied-house" covenant.

Differing Treatment For Family Partners

Attention is drawn to the subject of family income splitting by three recent Tax Appeal Board cases.

The first, **No. 560 v. Minister of National Revenue**, makes it clear that a father-son partnership may exist for tax purposes notwithstanding disproportionate contributions of capital or personal services to the firm by the partners.

No. 560 is a medical doctor who brought his son into partnership as to 20% of professional profits while the young man was spending most of his time pursuing postgraduate studies.

The Board held that the son's share of the profits could not be taxed to the father.

The second case, **Durance v. Minister of National Revenue**, points out that although you may hire your children for deductible wages — assuming that services are actually rendered — **the deduction of their wages is disallowed if payment is withheld, and is not allowed until actual payment is made.**

Taxpayer Durance said that he paid the wages and borrowed the money back — but he failed to prove it and therefore lost his appeal.

The third case involves a husband and wife partnership, and highlights an area of the law about which taxpayers have every right to express indignation.

Mr. and Mrs. Phillip Brunell came to British Columbia from the United States in 1912. From 1922 on they worked together as partners in various businesses and maintained a joint bank account in which their savings were accumulated.

In 1941 they moved to Vancouver and purchased an auto court in the husband's name. Finally, in 1952, Mr. Brunell executed a declaration that he held one-half of the property in trust for his wife, and a corporation was formed to take title. Fifty per cent of the shares were allotted to Mrs. Brunell.

This, said the Minister, was a taxable gift, and the Tax Appeal Board agreed. The principal reason seems to be that Mr. Brunell reported all the motel income as his own prior to 1952, and his wife never filed a return.

Even if a husband-wife partnership exists in fact, it is open to the Minister to tax all the firm income to the husband or to the wife.

Further, the Income Tax Act provides that **if a husband transfers property to his wife, income from it is taxable to the husband, even if the wife buys the property with her own separate resources.**

Collector's Job Easy Under This Ruling

In the case of **No. 526 v. Minister of National Revenue** Mr. Boisvert of the Tax Appeal Board has introduced a new ruling the consequences of which could be serious.

In effect, the ruling is that if the Minister reduces the amount of a tax assessment after a Notice of Objection is filed, the taxpayer has no further right of appeal.

No. 526 reported $13,251.68 income for 1954 and, following objections to assessment for several years including 1954, the Minister reduced 1954 income to $13,123.37.

Mr. Boisvert said that "he therefore had the benefit of a slight decrease in tax and should not complain regarding the year 1954. On that ground I declare that the appeal is not admissible."

Now let us suppose that the Department of National Revenue decides to reduce all reassessments by a few dollars in reply to notices of objection. According to Mr. Boisvert such action will deprive taxpayers of their right of appeal.

The reported judgment in case **No. 526** indicates that the Board's earlier decision in **Blier v. Minister of National Revenue** was not considered.

It was held in that case that a taxpayer may validly object to an assessment based upon his own estimate of tax payable. He may have made a mistake — and the law allows him to correct it by bringing in an appeal.

New Elevator Expense Improvements Capital

The cost of replacing a subsidiary part of business premises is deductible as an expenditure for repair and need not be capitalized.

In **Lumor Interests Ltd. v. Minister of National Revenue** Mr. Fisher of the Board held that the cost of installing a new elevator to replace an old one was deductible, although the cost of special additional installations — shaft fireproofing and overhead hoist — was required to be capitalized as an improvement to the premises.

The elevator itself added nothing to the building, but merely maintained its value as an income-producing asset.

MANAGEMENT SEMINAR

Under the sponsorship of the Ontario Safety League, psychologist Dr. C. L. Rosenstein will present a one-day seminar: Human Relations in Man-Management and Supervision. It will be held Nov. 18 at the Lord Simcoe Hotel, Toronto.

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IN THEIR OWN LANGUAGE

(Illustration by Lionel Gilbert)

Metropolitan Ottawa's French families spend nearly one million dollars every week on food products. They prefer to think and to BUY in French; they read "Le Droit" consistently for tips on food values, new foods to try.

Some of Ottawa's French families speak English. They are proud of the fact that they are bilingual. But they are influenced most by promotions in their native tongue. They speak and read French **at home,** where most of the buying decisions are made.

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ANNOUNCEMENT

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Mr. G. E. Ellsworth, President, announces the appointment of Mr. S. P. Lockhart as General Manager of T.I.W. Western Limited, Edmonton, Alberta. Mr. Lockhart was formerly Manager of the Construction Division of The Toronto Iron Works Limited, Toronto.

Mr. W. L. Grisdale, B.Sc., formerly on the Sales Staff of Toronto Iron Works, has been promoted to the position of Manager of the Construction Division of The Toronto Iron Works Limited.

The September supplement to our Canadian Metals Survey estimates 1958 earnings for 12 metal producing companies. Copies available on request.

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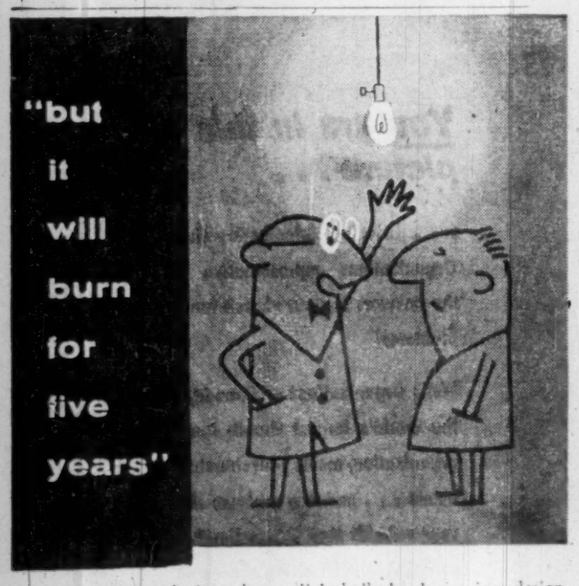

The only way to make incandescent light bulbs last longer is to design them to burn *less brightly*. (This is a genuine fact!)

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This doesn't save money does it, unless you can be satisfied with less light in a few locations where lamp replacement labour costs are very high.

Some people also think they are saving money by burning bulbs at less than their rated voltage. This means they use bulbs rated for a higher voltage than they're actually operating on. It makes them last longer, but once again, more bulbs and more power are required to obtain satisfactory light. (These people only end up *paying* for their mistake!)

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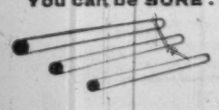

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Amendment Retailers' Hope In Prices Law

Bid to restore resale price maintenance won't change anti-combines probe . . .

To repeal or not to repeal, that's the question.

At issue: The fate of section 34 of the Combines Act which has outlawed resale price maintenance since January, 1952.

What the Retail Merchants' Association wants: Repeal—or, failing that, amendment.

What the government wants: All possible information before making any changes.

The RMA campaign to restore resale price maintenance has not changed the painstaking study of the anti-combines legislation which the federal government is undertaking.

Decisions are hoped for during the 1959 session of Parliament.

Justice Minister Fulton explained to the House of Commons last month, and to the RMA last summer, that he is not going to suggest any change in the law until satisfied he has all the facts of the situation.

In considering the impact of combines legislation on Canadian economic interests, he said he was concerned with the interests of the nation; not of particular individuals.

The current studies include particular problems such as Section 34 of the Combines Act, which RMA wants repealed or amended (**FP**, Aug. 30), and Section 412 of the Criminal Code which forbids price discrimination and "loss leader selling."

On the subject of "loss leaders," unfair pricing policies, etc., Mr. Fulton has announced the government means to make legislation effective.

He told the RMA: "Our enquiries, we hope, will show either that Section 412 is an effective weapon, in which case it will be used, or that we must look for the remedy in other directions. In the latter event, we have one or two alternatives under study."

Here are the main lines of the enquiries being made by the Combines Branch regarding RPM (section 34, Combines Act) and loss leader selling and unfair pricing (section 412, Criminal Code):

- **A general study** of "Discriminatory Pricing Practices in the Grocery Trade" through questionnaires answered by all sections of the trade.

It was submitted to the Restrictive Trade Practices Commission on July 2. Copies have been circulated to the trade and the commission intends to hear anyone who wants to give evidence.

It is not aimed at discovering anything illegal or leading to a prosecution.

It concludes: "It would appear very desirable that suppliers from time to time review their price structures in order to ensure, not only that section 412 of the Criminal Code is not being inadvertently infringed, but also to ensure that no unfair and unjustified disadvantages are being imposed unnecessarily and persistently on any type of distributor, and especially the smaller type of distributor."

- **Electrical appliances**—a specific enquiry into possible cases of unfair sales practice. Vancouver has been named as one scene of this enquiry but there may be others.
- **Cigarettes**—a specific enquiry into sales in Ottawa, Toronto, Hamilton and Edmonton.

A "specific enquiry" means that T. D. McDonald, director of investigation and research, will submit his evidence to the Restrictive Trade Practices Commission along with his own conclusions as to whether the law has been broken.

Mr. McDonald has heard complaints from the Garage Operators' Association of Ontario about the alleged oil companies' support of local price wars. This is being studied, but a formal enquiry or investigation will be delayed until the Combines Branch gets additional staff.

However, few retailers seriously feel that there is any chance of outright repeal of section 34.

What is far more likely is some form of amendment.

Some of the principal reasons for this feeling are:

- There is no agreement among retailers themselves. Some want repeal, some amendment, while others are satisfied with the status quo. Opinion is split within many large companies despite the adoption of an "official" company view.
- RPM was outlawed in 1951 after a comprehensive study of the whole topic by a government-appointed committee.
- The present government would be reluctant to adopt a policy which might drive up prices.
- Fact that today it is a buyers' market makes it unlikely RPM would be practicable.
- Despite the prevalence of "fair trade" laws in most U. S. states they have not prevented the growth of the discount house.

An interesting speculation on the outcome was recently ventured by the Canadian Retail Federation which said:

"What does seem probable is that the government, through the Combines Investigation Act, will be likely to retain the power to investigate pricing methods and to require those whom it considers to be acting against the public interest to terminate their particular practices.

"Another strong possibility seems to be that the government will tend to seek a solution that would seem to offer the compromise of maximum freedom in the relationship between producer and distributor limited by some provisions to discipline what may be considered to be actions detrimental to the public interest."

Sheila's Prize

MONTREAL (Staff) — Sheila A. Ward, whose book "A Secretary's Secrets" has just been published by **FP**, was presented this week with a prize.

She won it in an international contest to determine the ideal secretary.

The award: Two **Stow and Davis** Executive Furniture Guild of America offices.

One was arranged for Miss Ward; one for her boss, Dean Stowell, vice-president manufacturing, **Canadair Ltd.**

Miss Ward topped thousands of executives' secretaries in the contest in which she submitted two essays, one concerning her boss without identifying him, one on office furniture.

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Fast Decision Expected On Railway Rate Hearing

OTTAWA (Staff) — If the Board of Transport Commissioners gets the railways' application for a 19% freight rate increase this week, it could give a decision within three to six weeks.

This should mean that the railways will get an answer to their freight rate application in time to ward off a strike (**FP**, Sept. 13).

The non-operating railroad unions have sent out strike ballots to be returned by Nov. 1. Anytime after that date, assuming they get their mandate, the union chiefs can call a strike.

This is the first time the railways have based an application for a freight rate increase on wage demands. But the application was inevitable when the railways announced that they were neither accepting nor rejecting a conciliation board recommendation of a $60 million wage increase.

At midweek, the Transport Commissioners had not yet received the railways' application. A railways' spokesman told **FP** the application would reach the commissioners Thursday or Friday.

When they get the application, the commissioners will likely call a hearing within two weeks. The two weeks will allow opponents of the increase across Canada to gather their material.

The hearing could take a week, more or less; with a decision possible within a week after that.

It usually takes from three to six months for the board to deal with a railway application for a freight rate increase. But they can deal with such a request more quickly than that, by setting aside other work.

Probably their quickest decision of this type was in 1952. The railways asked for a 9% increase Nov. 28, got it by an order Dec. 20.

The commissioners won't, of course, put aside all their other work to deal with the freight rate increase. The have a number of ticklish decisions ahead.

One is on the **Bell Telephone Co. of Canada** application for rate increases to give the company an additional $16 million a year (**FP**, July 5). Hearings began this week.

Another is on the Canadian railroads' application to follow the U. S. railroads in levying a 6c cwt. handling charge on most export-import shipments (**FP**, Feb. 8, 15, etc.).

For generations it has been customary to grant Canadian railroads increases of this type to keep port rates in balance.

The increases were strongly opposed in the U. S. and the Interstate Commerce Commission spent six months considering them before allowing them last week.

The transport commissioners have before them a Canadian application to follow the U. S. lead:

- **If they don't grant this application,** some Canada-U. S. shipping patterns will be thrown out of balance.
- **If they do,** the resultant increases could price some of our export shipments of bulky commodities out of European markets.

BLUE RIBBON CORP.

A total of 6,204 5% cumulative participating preferred shares, par $50, of **Blue Ribbon Corp.**, were purchased and cancelled under an offer made by company in April to holders of this class of stock (**FP**, April 19). There are now 10,853 preferred shares outstanding.

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INVESTMENT IN PRACTICE

Common investment problems . . .

By PATHFINDER

Case No. 47:

"Most textbooks on investments say that an investor should analyze balance sheets. I have done this for years and never had any outstanding investment success."

Comment:

Two points can be considered with regard to balance sheet analysis:

(1) It is essentially defensive in character. The balance sheet of a company—what it owns and what it owes—is a conservatively drawn up statement in the beginning. Many companies have land and buildings as assets valued in their balance sheets at a few thousand dollars. Yet in today's real estate market, they would be worth millions.

Like an X-ray of a person, a balance sheet is more likely to indicate when relationships are out of line. If current liabilities exceed current assets, something is likely wrong.

However, there are those who can look at an X-ray of a number of athletes' lungs and can say "this one has the capacity to be a great runner." So trained analysts of balance sheets can from time to time uncover true bargains by balance sheet analysis.

(2) The average investor is not likely to have such skill nor the time required to make such detailed comparisons. Instead his requirement is: "How can I have the best investment results in view of the time I have available to devote to my holdings?"

Under these circumstances one of the most informative balance sheet ratios is net profits plus interest (from the earnings statement) as a per cent of funds invested in the business (debt, preferred and common stock plus surplus—from the balance sheet). The following tables provides a comparison among three prominent Canadian companies:

	CPR	Gatineau	Moore
1952	4.0	4.8	15.8
1954	3.3	5.4	16.6
1956	4.7	6.0	21.1
1957	4.0	6.2	20.7

These figures can be compared with some reservations. Both **Canadian Pacific Railway** and **Gatineau Power** are regulated public utilities which have financed their expansion by borrowed money to a significant extent. **Moore Corp.** in contrast has financed largely by reinvesting its earnings.

However, any investor wanting growth can decide which industry and which companies in that industry have a sufficiently high rate of profit (in relation to the amount of money invested in the business) to merit expansion.

Unless this ratio is consistently above prevailing interest rates, any expansion undertaken by that industry or company has strong elements of danger in it. And if expansion is dangerous in today's economic climate, investors should be wary.

Comments on this and other investment problems are to be found in the 80-page book "How to Invest for Bigger Profits" by Pathfinder, available for $2 a copy from The Financial Post, 481 University Ave., Toronto 2, Canada.

A Londoner's

Financial Notebook

News and views on the British securities markets, specially written for **FP** *by one of London's distinguished financial writers.*

Helped by expectations of a further easing of credit, markets have remained at or near their 1958 highs, though activity has been restrained to some extent by Far East tensions.

British Petroleum shares were marked up sharply on improved half-yearly profits and the announcement of a one-for-one bonus stock issue, but steel shares reflected a further drop in U. K. steel output in August.

Production of crude steel in that month fell to 70% of capacity and was nearly 20% below the level of August, 1957. Consumption was down by only 5%.

The setback in production can be at least partly traced to a running down of consumers' stocks. The second quarter of this year saw the first decline in consumers' stocks of finished steel for 3½ years.

With the motor industry still doing well, the steel sheet makers have been able to operate at or near their maximum rate, but demand for tubes and structural steel has been sharply reduced.

* * *

Operations by the **Bank of London & Montreal,** formed in Nass-, Bahamas, by the **Bank of Montreal** and the **Bank of London & South America,** will begin on Oct. 1.

Meanwhile, the Bank of London & South America has announced plans for a major increase in capital and for a "rights" issue of ordinary stock, expected to bring in about £3 million of new money.

The issue is being made partly with an eye to future expansion of the Caribbean venture, of which further branches are to be opened soon in Jamaica and Trinidad. Of the authorized capital of £7 million, £5 has so far been subscribed on a 50-50 basis by the two partners.

It is because of the "encouraging prospects" of this venture that the Bank of L. & S.A. wants to be able to subscribe further capital, if needed. So far, the bank's contribution has been largely in the form of branch assets and staff.

The Bank of L. & S.A. also wants more capital funds for the expansion of its business in other territories. Large-scale rebuilding schemes are planned for Latin America and, in addition, extra capital is needed to help finance U. K. exports of capital goods.

Authorized capital of the bank is to be raised from £5,050,000 to £10 million. Subject to Treasury consent, 2,525,000 new £1 shares will be issued for cash on a one-for-two-basis and the board, headed by Sir George Bolton, expect to maintain the recent dividend rate on the enlarged capital.

* * *

Plans for an expansion of group activities in Canada by Fisons, the £28-million U. K. fertilizer and farm chemicals concern, have been outlined here by the chairman, Sir Clavering Fison.

A new company called **Fisons (Canada)** has been formed to develop the group's business in agricultural chemicals (**FP,** Aug. 30). It will have its headquarters in Toronto and will take over from the present distributors on Oct. 1.

For the present, the company will be concerned mainly with research and the distribution of U. K.-manufactured products. But it is intended that it will eventually begin production with its own plant in Canada.

Sir Clavering said that although U. S. firms were already well established in the Canadian agricultural chemicals market, Fisons was firmly determined to develop its own trade. Company believes that some of its products have a technical lead over similar U. S. products.

W. Abel-Smith, assistant managing director of Fisons Pest Control, which handles the farm chemicals side of the group, is president of the new company, but it is hoped that this post will later be given to a Canadian.

Fisons has been selling some of its products in Canada for the past 25 years. **International Fertilizers,** in which Fisons has a half-interest, operates fertilizer plants at Saint John, N.B., and at Quebec.

Fine Chemicals of Canada, controlled jointly by Fisons and **Harrisons & Crosfield,** a U. K. merchanting group, produces pharmaceutical chemicals at Scarborough, Ont.

* * *

Sir Eric Bowater has again pleased the London stock market, this time with the half-yearly results of his giant **Bowater Paper Corp.** The improvement in trading surplus, to £8,795,000 from £8,303,000 in the first half of 1957, was noted with satisfaction.

Although competition is keener than at any time within Sir Eric's memory, the group has been able to some extent to offset rising costs by higher production and sales.

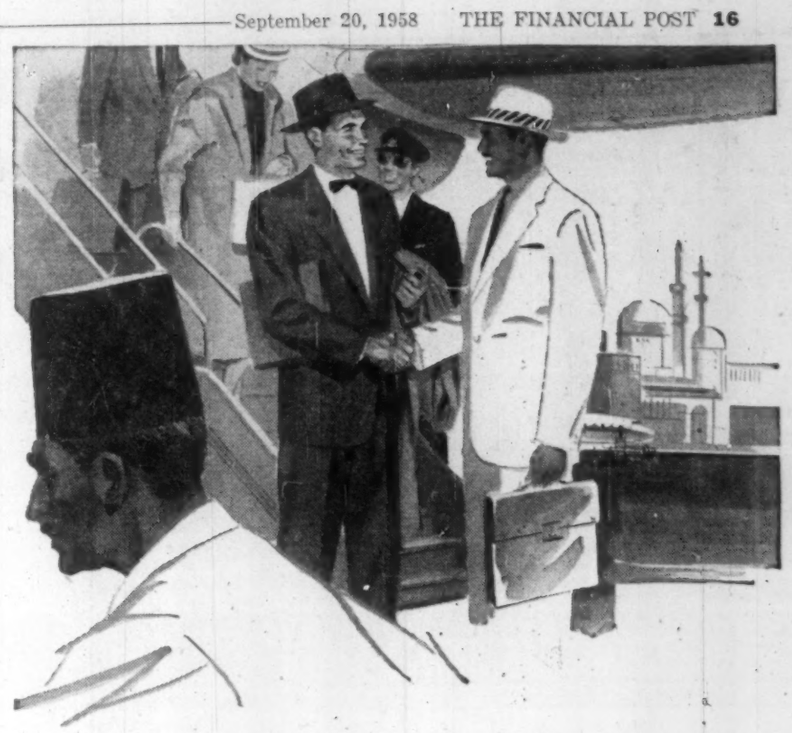
Of especial interest have been Sir Eric's remarks on the outlook for the paper manufacturing industry. While he does not look for a quick upturn, he thinks the turn of the year may see the start of a slow but steady climb back to the point where present surplus capacity is again fully employed.

U. K. Stocks

(Supplied by Ronald D. Smith & Co., Toronto.)

Here are representative issues traded in Canada (quotations are in Canadian dollars):

	— Recent — Bid	Ask	Sept. 1 Bid
	$	$	$
Bowater Paper	5.05	5.40	4.85
British Aluminium ...	7.20	7.60	7
British Petroleum ...	15¼	15¾	14
Courtaulds	3.05	3.35	3.15
Daily Mirror	2.00	2.15	1.85
Ford of England	5.50	5.75	5.50
Hawker Siddeley	4.25	4.50	4.05
Hudson's Bay Co. ...	24	24½	24¼
Imperial Chemical ..	4.40	4.70	4.35
Stewarts & Lloyds ..	3.20	3.40	3.20



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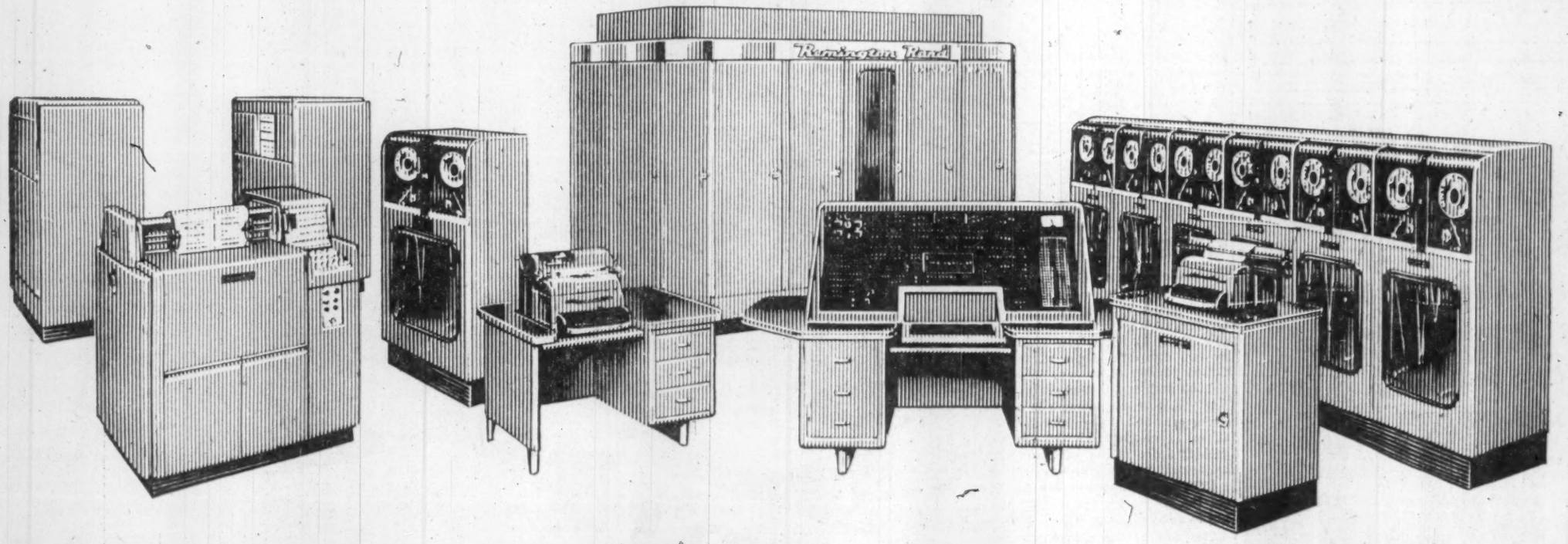
The London Life Insurance Company, of London, Ontario, has $4½ billion dollars of life insurance in force—practically three times the amount of ten years ago. Total policies in force number over 1¼ million, not including individual Group Insurance certificates. All of the London Life's 85 branch offices are in Canada. Canadians are buying life insurance from this Company at the rate of well over $2 million each working day.

LONDON LIFE installs Remington Rand's Univac II



...advanced large scale self-checking electronic computing system

The London Life Insurance Company—one of Canada's largest and fastest growing—is constant in its efforts to provide life insurance at low cost to policyholders, and to maintain its traditionally high standard of service. For these purposes, this company has always been among the foremost in the industry in adopting improved methods and up-to-date equipment.

The latest step is the installation of the Univac II Data Processing System. Univac's fabulous speed and accuracy in handling numerous life insurance operations will bring improved service to policyholders and better working arrangements for company employees.

With almost the speed of light, Univac processes masses of data, performing hundreds of office operations with greater efficiency than under any previous system. It will be exceedingly valuable to London Life in a variety of ways, including the rapid handling of large scale repetitive operations—for example, in the issuing of premium notices and policy dividend statements.

London Life thus joins the group of leading world-wide organizations—in insurance, industry, government and public service—who are using Univac to meet the complex problems of today's business.

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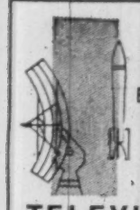

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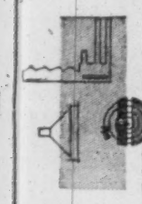

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WINNING SLOGAN

W. J. Crocker and G. C. Schnurr of **Canadian Johns-Manville Co.**, Port Credit, Ont., have received awards for the prize-winning entry in company-wide 100th anniversary slogan contest. Over 7,300 entries were submitted from Canada, the U.S., the U.K., and South America. Winning slogan: "Somehow, Somewhere, a Johns-Manville Product Serves You."

What's New

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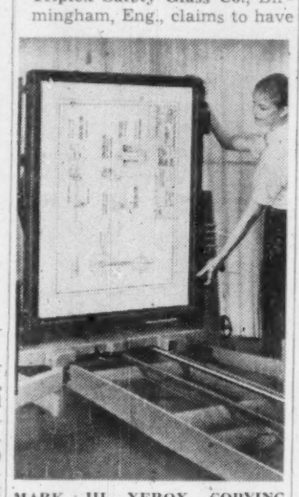
* * *

Keynote: Visibility.

Triplex Safety Glass Co., Birmingham, Eng., claims to have new answer to misting or icing of windshields. It has devised two applications of electrically heating glass surfaces. One uses invisible resistance wires, other uses a transparent gold film.



MARK III XEROX COPYING camera permits 34 in. x 34 in. documents to be copied. One of two new cameras.

* * *

Don't Flick, Just Press

Latest in lighting is a wall switch without usual pushbutton. To turn lights on you exert slight pressure on top half; to turn out do same to bottom half. Switch is interchangeable with conventional type.

* * *

No Need for Blowouts

Latest auto safety device is tire pressure meter which flashes red warning on dashboard when pressure drops dangerously. Unit is attached to each wheel's hub and connected to valve stem. Meter may be set for desired pressure.

* * *

Keeps It Hot

To ensure that patrons get hot coffee with their meals, restaurateurs can get an attachment which rests in coffee cup, keeps it hot, and prevents spilling. Available in wide assortment of colors.

* * *

Automation Hits the Farm

Ford Motor Co. has developed a robot device which steers cultivator along row of crops without a hand on steering wheel. Feeler in front touches crop, transmits position to small electric motor on tractor's steering mechanism. Motor then makes steering adjustments.

* * *

Write Around the Clock

Available this October: A ballpoint pen guaranteed to write a full 365 days, or a new refill free. Will be available in eight colors. Retail price in U.S. will be $1.29 for pen and 79c for refill.

* * *

For Private Aircraft

Coming on the market is a miniaturized aircraft radio. Said to be lowest cost and lightest weight unit yet built. Will permit small private planes to use airways under IFR (instrument flight rules) conditions. Weighs from 9.2 lb. to 25 lb. depending on equipment combination.

* * *

Out, Damned Spot!

To help housewives in the art of removing ink stains, **W. A. Sheaffer Pen Co.**, Goderich, Ont., has prepared a booklet entitled "Case of the Disappearing Spot." It comes in handy chart form. Explains how to remove permanent, washable and ballpoint ink stains.

* * *

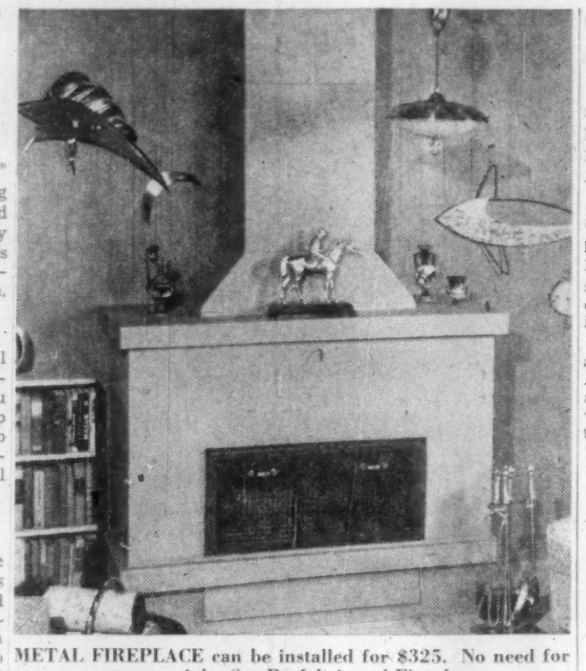
Electric Polisher

Recently developed six pound electric polisher will shine shoes within one minute. Bristle brush and polishing bonnet eliminate getting hands dirty. Foot pedal starter eliminates bending. Will also shine silverware, golf clubs and leatherwear.

* * *

Run Regular, Run Deep

General Electric Co., Schenectady, N.Y., has produced an electric motor which will run under water. Wide range of uses for this unit include sewage and mine pumping. Special insulation permits it to work when totally immersed.



METAL FIREPLACE can be installed for $325. No need for masonry job. See Prefabricated Fireplace.

Geophysics Firm Changes Name

Aeromagnetic Surveys Ltd., Toronto, has changed its name to **Hunting Airborne Geophysics Ltd.** It is a subsidiary of **Hunting Associates Ltd.**

The firm has been active in airborne mining and oil geophysics since formation in 1949. It has designed and developed instruments for which it has received blue ribbon mining awards in 1956 and 1957.

To make this equipment available in other countries, Hunting Airborne Geophysics has formed associated companies around the world in which it has a part interest.

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Blast Hits Strikebound Gypsum Plant

From Our Own Correspondent

HALIFAX — The long and bitter strike at the **Canadian Gypsum Co.'s** Miller Creek plant (FP, Sept. 6) was accentuated by two dynamite blasts which caused $12,000 of damage to a $90,000 company power shovel.

It was the latest incident in a strike that has dragged on for almost 11 months and which has paralyzed one of the province's major quarrying operations.

RCMP used a police dog to aid the search for the blasters but to no avail.

The cab of the shovel was blown off. Parts landed 450 ft. away.

A stick of dynamite, and another half stick, were found under a compressor 100 ft. from the shovel. A fuse was found 20 ft from the machine. No one was injured.

The blast came two days after single-shift production began at the quarry — an estimated 50 of the 400 strikers of the Nova Scotia Quarry Workers Union, CLC, returning to work through union picket lines under RCMP escort.

RCMP speculated that dynamite stolen in July within a 50-mile radius of Windsor, N.S., was used.

VISIT POLAND, RUSSIA

Three representatives of the Canadian Red Cross Society will visit Warsaw and Moscow this month as guests of the Polish Red Cross and the Alliance of Red Cross and Red Crescent Societies of the U.S.S.R. They are: John A. MacAulay, Winnipeg, vice-president; W. John Dunlop, Toronto, national chairman of public relations; and Dr. W. S. Stanburg, national commissioner.

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ANNOUNCEMENT

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JOHN D. TOMLINSON, M.Sc.

Nopco Chemical Canada Ltd. announces the appointment of Mr. John D. Tomlinson, M.Sc. as General Sales Manager for all Canada.

ARMY SCHOOL

A $483,500 contract for construction of an elementary school at Camp Gagetown, N.B., for the Department of National Defence has been awarded to **Montclair Construction Co.**, Montreal. School will provide 19 classrooms and an auditorium and is to be completed by June, 1959.

INDIAN SEWING MACHINES

Canadian firms have placed orders for Indian-made sewing machines, according to Nityanand Kammgo, minister for commerce, speaking in the Council of States, New Delhi. India has received other orders from the U.K., the U.S. and Yugoslavia.

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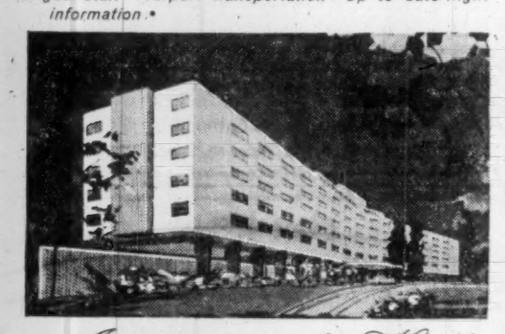

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Chilly Maybe, But Now's Time To Buy a Pool

Pool dealers cutting prices to pep winter sales . . .

By VINCE LUNNY

Long for the old swimming hole in your own backyard?

Modern pool-building techniques make it possible, and less costly than you think.

In fact, now's the time to build that backyard pool.

Some pool dealers are slashing prices as much as $1,000 during the winter to entice customers.

For example, **Paradise Pools (Toronto) Ltd.**, will sell you a 15 ft. by 42 ft. fibre glass pool installed and completely equipped, including filtration system, for $4,900 instead of $5,900.

Other Paradise pools also have been reduced by $600-$1,000 to attract winter buyers.

Paradise doesn't expect to increase its summer prices next year.

Another company, **Aluminum Swimming Pools Canada Ltd.**, maker of what's believed to be Canada's first aluminum pool, expects a price hike next summer.

Generally, however, next summer's peak-season pool prices shouldn't be far above this summer's.

Shorter work weeks and more consumer money have sent pool sales to an all-time high in Canada.

A swimming pool, limpidly inviting in the backyard, and a convenient charcoal barbecue beat a trip to some public picnic ground on traffic-congested highways.

Sparked by this kind of thinking, sales of swimming pools in Canada will exceed $5 million this year.

Five years ago the amount was negligible, sales were confined largely to institutions.

Today more than half the new pools are being carved out of backyards.

Average cost for concrete pools: $5,000, completely installed and equipped with everything from underwater vacuum cleaner to diving board.

Others are being purchased by recreation associations, motels, golf clubs, tennis clubs, yacht clubs.

Average cost of nonresidential installations: $40,000.

Compared with its hefty U.S. counterpart, the industry in Canada is still in its infancy. Swimming Pool Age, the U.S. trade magazine, forecasts sales in the U.S. of 53,000 pools for $600 million in 1958.

Just 10 years ago there were fewer than 10,000 pools in all North America.

In Canada it is estimated that 1,000-2,000 pools are being bought every year.

Fancy Pools

According to Swimming Pool Age, here is how residential pools built in 1957 were equipped:

- **99% included filters (36% sand, 63% diatomite).**
- **96% included underwater lights.**
- **93% included ladders (a slight decrease from 1956).**
- **69% included diving boards (a considerable decrease, reflecting a greater number of smaller pools).**
- **52% included vacuum cleaners.**
- **35% included water heaters (a marked increase).**
- **9% included pool covers.**
- **5% included mechanical hypochlorinators.**

About 83% of them are concrete, form-poured or pneumatically applied by the Gunite method. But other materials are plastics, steel and aluminum.

Aluminum is a hot newcomer.

The first pool to be made of aluminum in Canada has been completed at the Leaside Memorial Community Gardens, Toronto. It is claimed to be the first indoor all-aluminum pool in North America.

Measuring 35 ft. by 75 ft. and holding 110,000 gals., it uses no less than 16,000 lb. of aluminum (supplied by **Aluminum Co. of Canada**).

The pool has been made by Coulter Copper & Brass Co., Toronto, which works on a royalty basis with the designs of **Chester Products Co.**, Hamilton, Ohio.

Coulter Copper & Brass recently established Aluminum Swimming Pools Canada Ltd., to handle this new venture.

"We feel there is a definite future for aluminum swimming pools because of their low maintenance costs," Warren Coulter, vice-president and general manager, told FP. "We are aiming to develop a market of 100-200 pools a year here."

CANADA'S FIRST ALUMINUM swimming pool, claim its builders, has been completed at Leaside, Ont. It's the latest development in our booming pool industry.

The aluminum pools are made of prefabricated panels, arc-welded in the field for final assembly.

Design includes a roll-out top edge with integral drain gutter, a feature which, it is claimed, only aluminum can offer.

Low maintenance is claimed by Coulter as the greatest advantage of aluminum. The pool is painted only for appearance and a scratch cannot lead to rusting.

The swimming pool business is predominantly an industry of small businessmen who have taken the plunge with limited capital. It is just beginning to grow.

Recently the Canadian Swimming Pool Council was formed with 70 members, builders and suppliers, largely in Ontario and Quebec.

According to Chairman Gordon Berger of Montreal, plans are to organize on a national scale.

Three years ago Berger knew nothing about pools. Then, as a member of the Lord Reading Yacht Club, he headed a committee to make arrangements for construction of a pool on the club's property.

The committee had difficulty in finding architects, engineers, builders, who possessed specialized knowledge.

Working closely with such men, Berger got his feet wet, learned by trial and error.

When the Lord Reading pool went into operation and the club was swamped with new applications for membership, Berger went into business.

Today he heads **Riviera Swimming Pools**, had as much work this past summer as his growing company could handle.

Riviera is associated with **Landon Inc.**, one of the big California builders which distributes pool equipment to authorized contractor-dealers.

Another big outfit is **International Swimming Pool Corp.** This year, its third, it expects to gross $10 million. That's twice the total of its first two years.

Screen star Esther Williams is International's president. This professional water nymph owns a block of stock, has a 20-year contract as front girl.

Her attributes: A reputation as a champion swimmer, a cheerful smile and a 38-27-34 figure to embellish a snug bathing suit.

Real head of International is hard-driving Donald Pruess, former sales manager of **International Latex.**

Pruess' director of foreign operations, Ted Barrie, was in Canada this summer on an extensive franchise-granting expedition, following a successful mission to Alaska.

Earlier this year he spent six weeks in Venezuela, Cuba, Guatemala, Panama and Puerto Rico, lined up dealers in every country, returned to the U.S. with firm orders for 250 pools.

Average cost of all kinds of pools is about $4,000 with the complete range extending from just under $2,000 to as much as $100,000.

National Recreation Equipment Co. in Montreal offers a 16 ft. by 32 ft. Mariner pool with skimmer and diatomaceous earth filter for $2,200.

Liner is heavy gauge bakelite krene, 20-gauge vinyl. It is set in a simple excavation having a packed sand bottom and concrete block retaining walls which are set on concrete footings.

Fibre glass pools are available for around $2,000. Sections of fibre glass are sealed in the excavation by epoxy mixed with a hardening chemical agent. **Lancer Industries** makes a fibre glass pool insured for 10 years by **Lloyds of London.**

Most individual purchasers of pools are in the $15,000 and up income bracket. But there is a trend in Canada, according to Berger, to what he calls the middle income group.

Appreciable sales penetration in this group will depend to a large extent on the friendliness of moneylending agencies.

Most pool-dealers have financing available now but it is on about the same terms as automobile or appliance financing.

Dealers would like to see pools qualify for home improvement loans.

Their argument: A pool enhances property values, is a practical investment.

Sales figures suggest their customers agree.

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- *cutting cost in petroleum and gas industries*

THE BELL TELEPHONE COMPANY OF CANADA

Torontonians Behind Sarnia Land Deal

Crown Trust Co., Toronto, is seeking to purchase approximately 3,000 acres of Indian reservation land on the outskirts of Sarnia for undisclosed Toronto interests.

The land will include extensive dockage space.

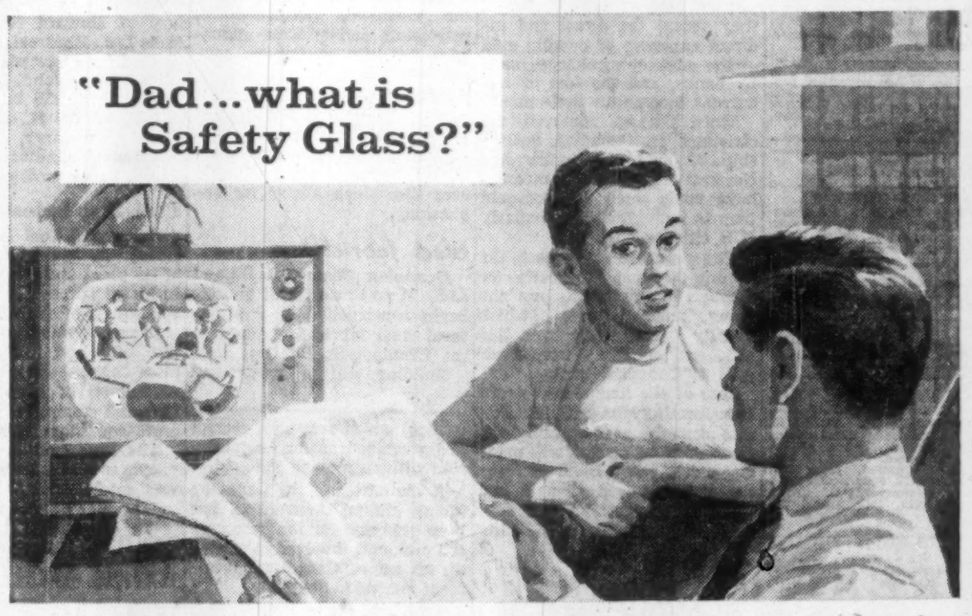
Plans of the purchasing group are to apportion the land up into industrial and commercial blocks.

Crown Trust has put up a $750,000 payment on behalf of its client as an evidence of good faith, the money to go to the Indians on the completion of the land purchase deal. Details have not been disclosed yet as to total price offered for the land.

The Sarnia reservation Indians who are said to be showing considerable interest in the offer will vote on it in three or four weeks' time.

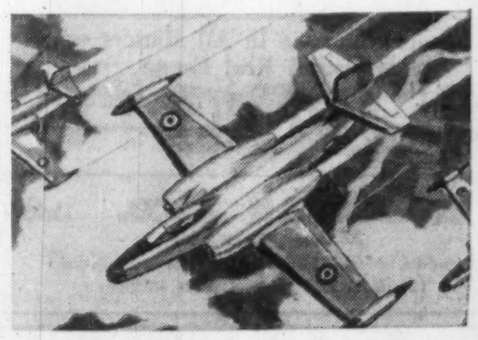
If accepted by a majority vote then the Department of Indian Affairs in Ottawa will be asked to approve the deal.

A previous deal for this land involving a U.S. group — New England Industries — fell through earlier this year.



"Well son, ordinary glass breaks quite easily and leaves long, jagged pieces with sharp, dangerous edges. Safety glass is made to do a certain job more safely. There are different kinds. For instance, the glass in the front of our TV set is called '*toughened glass*'. If it gets hit hard enough to break it, the sheet is transformed into a myriad of tiny harmless granules.

"Another kind, such as our car windshield, is made with a sheet of vinyl between two pieces of glass like a sandwich. The vinyl is sealed to the glass so tightly that if the glass did break, the vinyl would hold the broken fragments safely in place. This safety factor is important to us.



"Then there's the kind of glass used in high speed airplanes. It's made like a Dagwood Sandwich—with many sheets of glass separated by clear vinyl."

These are just three applications of safety glass. Duplate Canada Limited are specialists in the manufacture of safety glass for home and industry.

modern miracles in glass by **Duplate** CANADA LIMITED *for brighter, safer living!*

Small Gold Bars Or Police Escorts?

Anyone can ship $9 million in gold, but heavy bars awkward to handle . . .

By VINCENT EGAN

On a warm and peaceful early evening last week, rifle-bearing Toronto police blocked off the Bay St. sidewalk while armed Brinks guards helped to take $9 million in gold bullion from their armored cars down into atom-bomb-proof vaults of the **Bank of Nova Scotia** head office.

That's the way big transactions are generally carried out in Canada's new free market in gold.

It lends dramatic emphasis to the contention of mining industry men that smaller gold bars, and gold certificates rather than bullion, are needed if the gold market is to grow into a workable trading place for investors.

Last week's shipment is reported to have come by chartered **TCA** plane from New York.

Since U.S. citizens may not buy or hold gold in the U.S., it seems probable that the $9 million shipment is owned overseas.

Despite the air of mystery, heightened by last week's melodrama, there is nothing illegal or illegitimate about Canada's free market in gold.

Anyone can buy or sell gold.

The trouble, as far as the majority of investors are concerned, is that the unit price is extremely high and the prospects for profit extremely problematical.

In other gold markets throughout the world, there are two standard units of exchange:

- **The 400 oz. bar, worth roughly $13,000,** awkward to handle, costly to store.
- **The one-kilogram bar, worth about $1,200,** and of more manageable proportions. It weighs just over 35 oz.

The Royal Canadian Mint "recognizes" only the 400-oz. bar; it does not certify the weight of smaller bars.

One-kilo bars are produced in Canada by **Noranda Mines Ltd.,** which has its own refining arrangements in Montreal.

These bars are certified as to weight by its subsidiary Canadian Copper Refiners but, industry men say, the CCR stamp is not as widely accepted by buyers in the international gold markets as the Royal Canadian Mint stamp would be.

But even when the investor has resolved the problem of size, what can he hope to gain through his investment?

A hedge, for one thing. Throughout man's history, gold has been a symbol of real wealth.

If a man of means is obsessed with the fear of inflation, he might convert his paper currency into gold.

A weakness in this approach is that the U.S. Treasury, whose policy determines the course of world prices, is still paying $35 oz. — the price it adopted in 1934.

But this weakness is, paradoxically, a source of strength in gold.

One body of opinion holds that the Treasury will, sooner or later, increase the price it is willing to pay for gold, since the price of every other commodity has risen since 1934.

That, apparently, is the expectation that motivates most buyers of gold bullion.

In the hope of a sharp and sudden capital appreciation, they accept the direct and indirect expenses of owning gold — the safekeeping charges made by banks, and the loss of any current income on their assets.

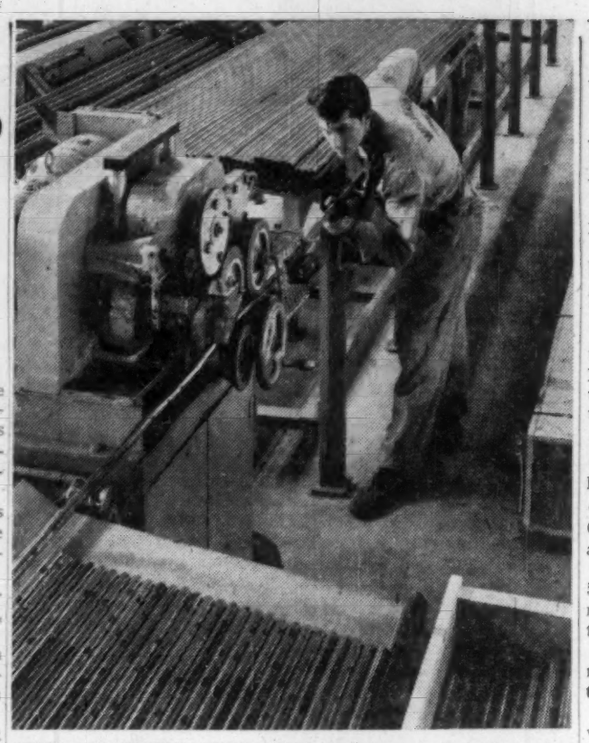
Since Ottawa removed restrictions on Canadian ownership of gold two years ago, Noranda and other companies have made some sales of gold bars to individuals, particularly U.S. citizens.

The purchasers approach the mining company directly or through their banks, pay the going market price (which usually varies little from $35 oz.), and generally keep their gold in Canadian banks.

One of the first steps toward transforming the gold market into something resembling the stock or bond market was made last week, when Bank of Nova Scotia announced that it had designed a negotiable gold certificate, which acts as a receipt and permits transfer of possession without moving the gold.

A committee of the Canadian Metal Mining Association has been studying for the past year the problems involved in setting up an active Canadian investment market in gold.

Although the committee has not yet completed its study, industry men feel that establishment of such a market must be preceded by Ottawa's minting a one-kilo bar, and the creation and recognition of more gold certificates such as the one just introduced by the Bank of Nova Scotia.



MILES OF COPPER TUBE. Full operation of all facilities has begun at Canada's newest non-ferrous tube plant—Calumet & Hecla Ltd.'s Wolverine tube plant at London, Ont.

Growth

Manufacturing plants new to Canada, expansions of existing industry across the nation

In full production

Calumet & Hecla of Canada Ltd.'s Wolverine Tube Division plant at London, Ont., is now in full operation.

Producing non-ferrous seamless tubing, the plant made its first shipment of copper water tube in April and shipments now approach the 1.5 million lb. mark.

It is expected that output will build up rapidly and probably exceed the original planned production rate of one million pounds per month of finished product.

Third of its type in Canada, cost of the plant was $7,250,000.

The Wolverine Tube plant is a completely integrated facility in that it starts with copper cathodes from Canadian-mined ore and converts them into copper and copper-base alloy tube in a wide range of types and sizes.

The products are used in houses and plants, in construction of domestic, commercial and industrial refrigeration and air conditioning equipment, in the chemical, petrochemical, petroleum and process industries for heat exchanger construction, in power plants for condenser components, and for a wide number of general industrial uses.

Plant is 820 ft. long and 140 ft. wide and is located on a 30-acre site which allows for expansion.

Steel fabricating

Dominion Structural Steel Ltd., Montreal will shortly begin construction of a structural steel fabricating plant in the Winnipeg-St. Boniface area.

Building and crane runway footings will be installed this fall on a 17-acre site and construction of buildings will proceed throughout the winter and spring.

Modern fabricating equipment will be included for cutting, punching, shearing, drilling, welding, riveting, painting and erection of steel and steel products. Reinforcing steel and a wide range of warehouse stock will be available.

The plant will be designed to allow for future expansion.

Lighting expansion

Wakefield Lighting Ltd., has moved into its new offices and manufacturing plant on Commissioners Road at Wellington in London, Ont. Manufacturing area has been increased by 50% as a result of the move and provision has been made for future expansion.

Increase in the number of products handled by the firm necessitated the expansion.

New paper plant

Schofield Paper Co., subsidiary of **Howard Smith Paper Mills Ltd.,** Montreal, has broken ground for a new plant on Russel St., Saint John, N.B.

The plant will be one-story, 224 ft. by 120 ft., and will be ready by January, 1959.

Schofield handles a complete line of paper products.

Tools for Industry

Associated Tool & Manufacturing Co. is doubling the size of its plant at 3673 Dufferin St. in Metro Toronto, by adding 4,800 sq. ft. of factory area.

It makes fine tools including dies, jigs and fixtures, and is also engaged in the contract production of turned components and stampings for the aircraft and other industries.

The new facilities, the company's second expansion since it was established 10 years ago, will be ready about November.

Must Build 3.4 Million New Houses

More than 3.4 million homes must be built in Canada in the next 25 years.

Current annual rate of construction: 120,000 houses, eight out of 10 being bungalows.

Forecasting expansion of the building rate, Robert F. Legget, director of building research for National Research Council, said 1.1 million of Canada's 4.1 million dwellings have been built since World War II.

He was addressing members of the Society of Chemical Industry in Toronto this week.

Stepped-up construction will provide raw material for building research, unequaled in all but one country in the world — Russia.

At Winnipeg a temperature range of 150 deg. F is not uncommon, said Legget, and on the east coast combinations of wind and driving rain and sub-zero temperatures create conditions that might be called a research worker's dream.

His summary of building research:

Not exciting, but now a term of real meaning in scientific inquiry.

N. B. Labor Group Ask Housing Probe

Special Correspondence

SAINT JOHN—The establishment of a provincial housing commission is being urged by the New Brunswick Federation of Labor.

The labor body's 53rd annual convention was told by its president, City Councillor James A. Whitebone, that the supply of low rental housing units in New Brunswick is still far short of the demand.

He said substandard houses still exist in practically every area of the province.

Most other provinces have housing commissions with wide powers in directing clearance of substandard houses and providing new ones.

Premier Hugh John Flemming, told the convention, that seasonal work, providing employment only during certain months of the year was the province's principal problem.

Home Sales Well Above Last Year

This year may be a record year for realtors.

Volume of summer sales has been well above 1957 and even greater activity is anticipated this fall.

Murray Bosley, president of the Canadian Association of Real Estate Boards, attributes the healthier real estate picture to these factors:

- **Easing of mortgage money.**
- **Strong demand for both older** homes and new houses.
- **Continued rapid growth in Canada** through immigration and new family formation.

In the first half of the year, 52,500 new housing starts were made, compared with 31,600 in the same period last year.

Sales of homes through the relatively new photo co-op system have also shot ahead.

In Toronto alone, 4,700 homes with a total value of $75 million were sold in the first seven months of 1958, with an average price of $16,000.

In the same period last year, 3,400 homes worth $53 million were sold through photo co-op. Average price — $15,000.

Federal Trade Department's mid-year forecast of capital investment predicts a total expenditure on housing this year of $1.7 billion — an increase of 25% over 1957.

REAL ESTATE

A CANADA-WIDE MARKETPLACE FOR BUYERS AND SELLERS

Manitoba Hits $1 Billion Mark

From Our Own Correspondent

WINNIPEG—New construction, increase in property values, and transfer of non-tax bearing land to assessment rolls put Manitoba's new equalized assessment over $1 billion for the first time.

Total equalized assessment for all Manitoba municipalities is $1,078,437,700. Previous one was $984,840,800.

Urban assessments accounted for $578,281,000. Heaviest percentage increase was in the fast-growing Winnipeg suburban municipalities where home building and new industries have increased property values.

Total assessment of the suburban municipalities was $91,362,000, a drop from the $98,467,000 of two years ago because East Kildonan in the interval was incorporated as a city.

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Well established real estate developer in London, Ontario requires $100,000 for further expansion. Excellent opportunity for high returns. Will stand investigation.

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. . . . for new, low-cost item of business equipment which has wide range of uses for almost every kind of business. Double income from continuous required use of expandable materials (controlled by distributor). Unit placed on lease. Manufactured, guaranteed and aggressively backed by firm on N. Y. Stock Exchange. West coast area already appointed. Now opening up Midwestern and Eastern territories. $10,000 to $20,000 required, depending on potential of territory. Comprehensive literature mailed. Replies confidential.

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Large Canadian manufacturer for expansion program has distributor openings in various Canadian centres with unlimited market.

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Ability to conduct own business properly and drive to obtain volume are prime considerations.

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Active or silent (active preferably), to purchase half interest in construction business. Incorporated firm with 20 years of experience, operating on a very sound financial basis, owns a tract of land with completed plans for new satellite town, will invite partner or partners with engineering and creative mind and good foresight to participate in this great venture. There is unlimited opportunity for right person. Cash required about $500,000.00, balance will be arranged. Reply in strict confidence (principal only), to

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Pulp and Paper, Chemical Processing

Grad. Mech Engineer with extensive experience in Production, Administration, Maintenance, Plant Engineering, Design, seeks broader responsibilities as Plant Engineer or Production Manager. Present Salary in five figures. Natural Leader. Age 43. Replies held in strict confidence.

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Extensive wholesale and retail marketing background — mainly automotive at management level — self starter — imaginative thinker — recognized leadership qualities — age 47.

Direct reply to Box 319, The Financial Post, Toronto

I AM

A Chartered Accountant, 37, ex-Brigade of Guards officer, with excellent managerial and organizational experience in two world wide industrial groups. I have specialized in Methods, Management and Organization. I am seeking in Toronto or Montreal a challenging and interesting position preferably as Executive Assistant to a director of, or a senior financial position in, a large industrial organization.

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Presently employed chief executive wishes to relocate. Income bracket $15,000.00.

Your interest is solicitated if you have a position requiring a man with the following qualifications:

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- Experienced organizer and administrator with working knowledge of all management functions and including management consulting.
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- Salary secondary to opportunity to join with a harmonious team in accomplishment.

Reply in fullest confidence to Box 308, The Financial Post, Toronto

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Salary, bonus, automobile. This is an opportunity for real advancement.

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An opportune opening is available in Ottawa with a national firm of Chartered Accountants for an outstanding Senior C.A. capable of planning and directing work of Audit Staff.

He should have not less than three years' experience since qualifying. Write in strict confidence to

BOX 313, THE FINANCIAL POST, TORONTO

Considering a New Position?

J. K. THOMAS & COMPANY serve employers in all areas of business and industry, assisting them in locating and selecting suitable personnel. At the moment we have many positions open with these clients. We need more applicants in all phases of business operation—Management, Production, Advertising, Sales, Engineering, Finance, etc. If you are considering change of employment, you are invited to register with us at once, in complete confidence, for consideration against present and future openings. There is no obligation. All our fees are paid by our clients. When psychological testing is required, it is carried out at no expense to the individual. There is never a charge to the individual, and your application will be treated in strict confidence. Simply write us asking for our Registration Form.

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An able, attractive and pleasant secretary is not only a great help to you but is also a good advertisement for your business. Because we are recognized as the focal point for better positions, capable girls register with us.

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P.O. Box 10
Montreal, P.Q.
UN. 1-2571

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A long established, medium sized company in Ontario manufacturing packaged consumer goods requires a Manufacturing Manager.

Applicants should have experience in all phases of Production Management, including planning and control. This experience must be in consumer product industries such as food, drug, confectionery or cosmetics.

Pension and Group Insurance plans provided.

Salary open.

All replies confidential.

Box 322, The Financial Post, Toronto

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$4,140 - $4,740

required by

OFFICE OF THE AUDITOR GENERAL
Ottawa

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Candidates must have university graduation with specialization in accounting, public administration or political science, OR senior matriculation with at least three years of auditing experience.

For details, write to
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Please quote competition 58-630.

RCA

SENIOR BUYER

A challenging opening in our soon-to-be-established Toronto facilities for a Senior Buyer with extensive experience in the purchasing of electronic parts and components or related equipment.

He will be required to supervise a small staff and will work closely with engineering and service managers.

Interviews will be arranged in Toronto within two weeks. Reply (in complete confidence) outlining education and full details of past experience to:

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Defense Systems Division
RCA Victor Company Ltd.
1001 Lenoir Street,
Montreal, Que.

PUBLIC RELATIONS

Large manufacturing company with widespread interests, head office Montreal, requires public relations man to work closely with president. Essentials are maturity, poise, writing experience and ability to interpret company policies.

Responsibility would include annual and interim reports and company magazine. Experience in printing production highly desirable.

BOX 333, THE FINANCIAL POST, TORONTO

TOP FLIGHT SALESMAN

The Research Institute of America

has openings for account executives in Toronto and Hamilton.

If you have at least five years' experience in creative selling to top executives—

If you are earning over $10,000 per year and want to earn substantially higher income—

If you can and will work, learn, and grow—

If, in addition, you are 30-45 years old, have a late model car for business use, we'd like to talk with you about a challenging future.

The Research Institute is an AAA1 organization serving 30,000 American business firms. We offer you a position of prestige—you call only on top business executives; the satisfaction of operating on your own in a protected territory; high earnings—our men are in the top earnings bracket of the business service field; security—you will be a permanent part of an expanding organization which has prospered 23 years through depression and war. You will receive hospital-surgical insurance, life insurance up to $40,000, and come under a pension plan.

If you consider yourself an outstanding salesman, for an interview write to Bernard T. Parker, The Research Institute of America, Inc., 589 Fifth Ave., New York 17, New York.

CAREER OPPORTUNITY

$14,000 a year

The Buffalo and Fort Erie Public Bridge Authority, operating the Peace Bridge between Buffalo, N.Y., and Fort Erie, Ontario, is looking for a full-time Secretary-Treasurer. Position requires person with ability to deal successfully with governments and local authorities in the U.S. and Canada, and with budgetary, accounting and purchasing functions of the Authority, etc. Vacancy has been created by decease of former incumbent.

Apply by letter (not phone), stating age, education, experience and present position, with references, to:

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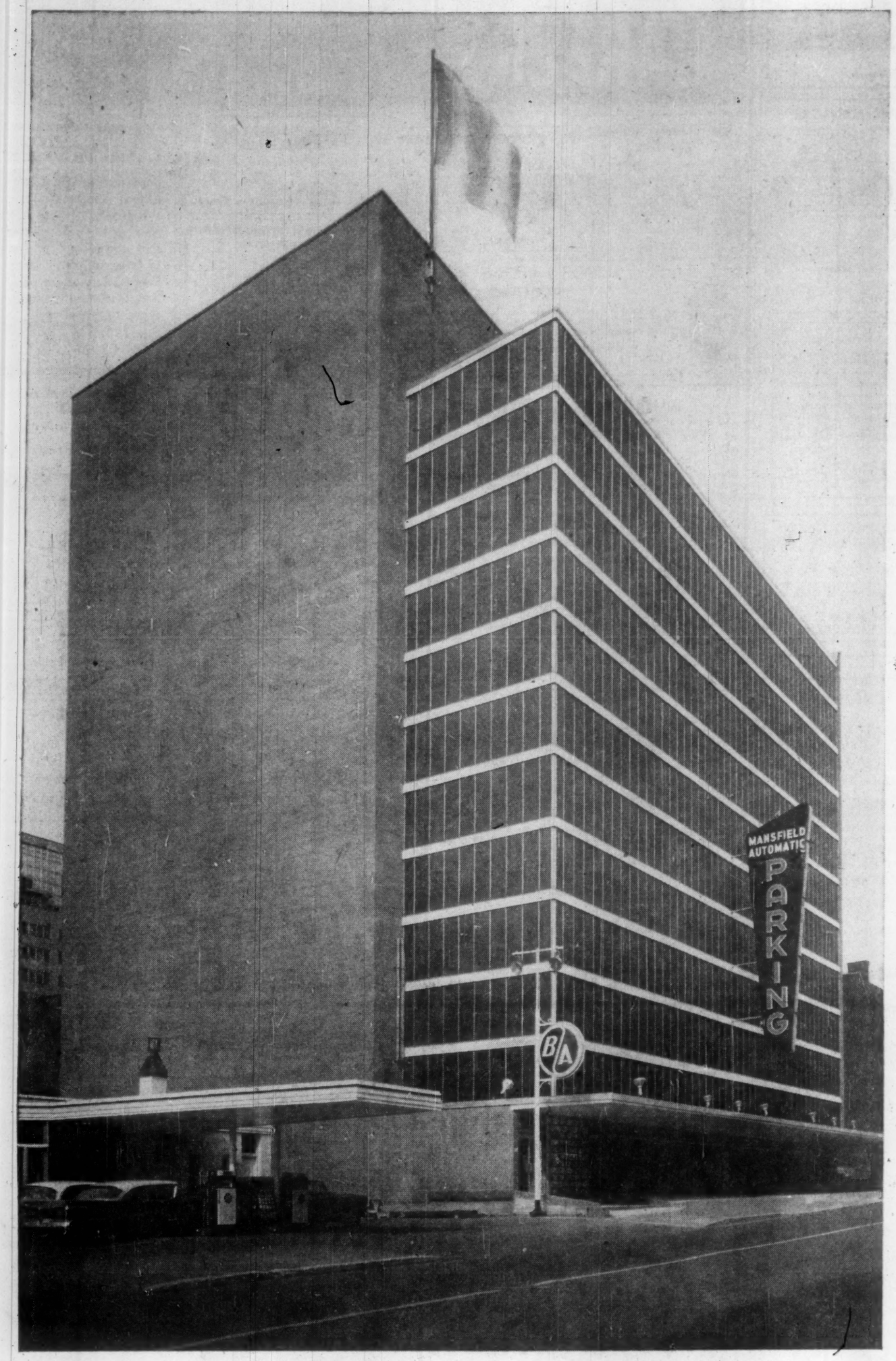
All applications treated in confidence



Recently completed in Montreal is the Mansfield Parking Garage which is Canada's first installation of a proven elevatored parking system for heavily congested traffic areas. Many garages of this type are presently operating in the United States.

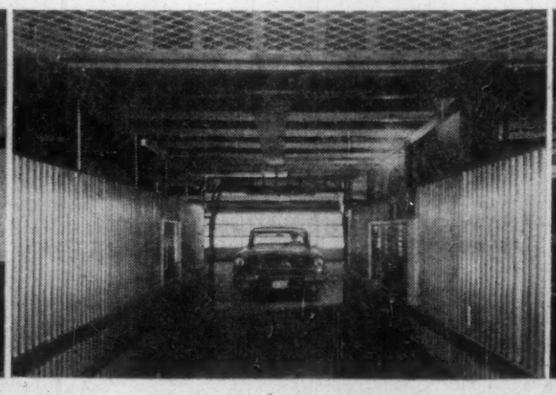
Turnbull-Bowser ELEVATORED PARKING GARAGE

The economical and tested answer to today's vertical parking problems

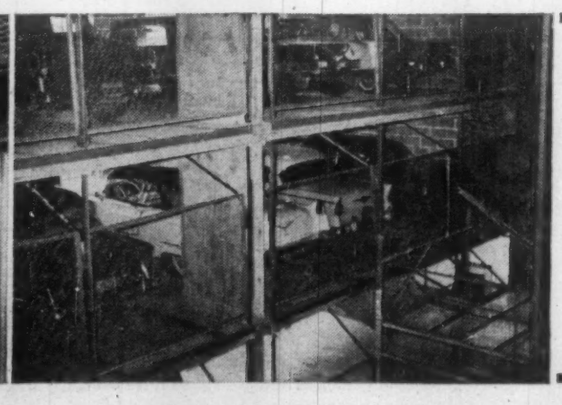
- The Turnbull-Bowser system parks any size, make or model of automobile because there are no mechanical lifting devices or dollies used to place your automobile on the elevator — therefore no damage to mufflers etc.
- Eliminates annoying waiting periods because the large reception area permits easy and quick handling of automobiles—*even during peak periods.*
- More levels of parking space can be constructed than other elevatored parking systems since these elevators are electric and are suspended from overhead crane bridges.
- Operating and personnel costs are lower because of less complex handling methods.
- The absence of ramps, turns and loading devices eliminates the possibility of damage to automobiles.
- Even in the event of a general power failure, automobiles can be delivered to the owners.
- The high speed electric elevators, which travel *sideways and diagonally* as well as vertically, ensure fast, efficient handling of automobiles.
- The life and efficiency of the elevator system can be increased with a Turnbull Protective Maintenance Agreement which avoids costly repairs.

The Turnbull-Bowser Parking System is the ideal answer for quick, safe, economical parking of automobiles in today's and tomorrow's congested traffic areas where high priced real estate is at a premium.

Part of automobile reception area



Automobile about to enter elevator car



Section of upper parking floor

For further information on the Turnbull-Bowser Parking System, please send this coupon to:

Sales Department,
Turnbull Elevator Co. Limited,
126 John Street,
Toronto 2B, Canada.

NAME.....

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ADDRESS.....

TURNBULL ELEVATOR CO. LIMITED

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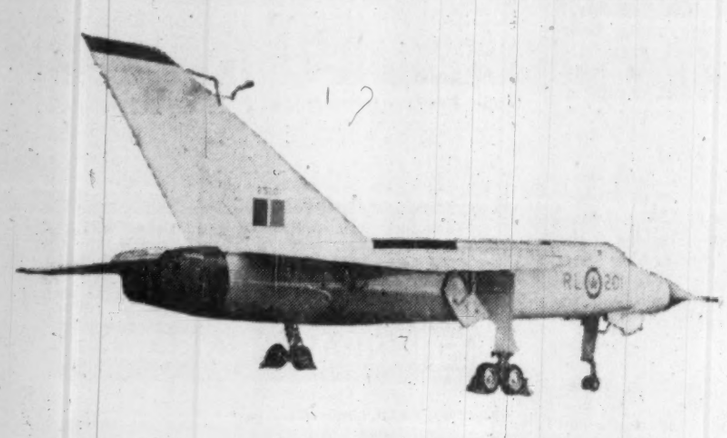


If The Arrow Dies, Who Dies With It?

More than half of the major suppliers to the Avro Arrow program rely on the project for most or all of their business.

These suppliers, starred in table, could be crippled or killed by cancellation of the Arrow program.

Companies listed are 30 main suppliers out of about 650 subcontractors employing 6,500 men which are working on the Arrow. They have 825 million worth of Arrow purchase orders ahead of them from this year alone.

Bayly Engineering Ltd., Ajax, Ont.
Dowty Equipment of Can. Ltd., Ajax, Ont.*
Enamel & Heating Products, Amherst, N.S.
Bata Engineering Co., Batawa, Ont.
Campbellford Precision Products Ltd., Campbellford, Ont.*
Canadian Steel Improvement Ltd., Etobicoke, Ont.*
Fleet Manufacturing Ltd., Fort Erie, Ont.
Light Alloys Ltd., Haley, Ont.
H. H. Whitehall Ltd., Hespeler, Ont.*
Aluminum Co. of Canada Ltd., Kingston, Ont.
Dominion Rubber Co. Ltd., Kitchener, Ont.
W. R. Elliott Ltd., Kitchener, Ont.*
Keicher Engineering Ltd., Kitchener, Ont.*
Honeywell Controls Ltd., A/C Division, Leaside, Ont.*
Garratt Aircraft Ltd., Malton, Ont.
Jarry Hydraulics, Montreal, Que.
Service Tool & Die Ltd., Montreal, Que.*
Parmatic Engineering Ltd., Owen Sound, Ont.*
Williams Machines Ltd., Preston, Ont.*
Garrett Mfg. Corp., Rexdale, Ont.*
Sorel Industries, Sorel, Que.
Aeroquip Canada Ltd., Toronto, Ont.
Atlas Steels Ltd., Toronto, Ont.
Corman Eng. Co. Ltd., Toronto, Ont.*
Lido Industrial Products Ltd., Toronto, Ont.*
Lucas Rotax Ltd., Toronto, Ont.
York Gears Ltd., Toronto, Ont.
Metal Cal Ltd., Vancouver, B.C.
Waterloo Mfg. Ltd., Waterloo, Ont.
Bristol Aircraft (Western) Ltd., Winnipeg, Man.

Your Business and the Arrow's Fate

If the cabinet dooms the giant Avro CF-105, our economy will feel the impact far and deep . . .

By FRANKLIN RUSSELL and FP Staff Writers

In offices, factories and homes across the country, tens of thousands of people are anxiously waiting for an answer to the biggest question ever posed in Canada's air age.

What will they do with the Avro Arrow?

Probably within the next eight weeks, the Canadian cabinet must decide whether:

- **To scrap the enormous Arrow interceptor program.**
- **Extend it for a limited period.**
- **Or go into full production.**

The implications of this decision involve:

- **The livelihood** of nearly 100,000 Canadians.
- **The welfare** — and in some cases the survival — of dozens of new industries particularly in electronics.
- **The emigration** of highly educated workers to the U.S.
- **And the fate** of the aircraft industry in Canada generally.

There has been public criticism of the Arrow. It has been asserted that it has cost too much to produce, that the day of the manned aircraft is finished.

And the critics point to the British decision to concentrate on guided missiles and rockets for defence and attack and to build no more manned fighters.

The Arrow, by contrast, has been spawned into the space age at a time when men's imaginations have been captured by ICBM's, satellite dogs, moon shots, and guided missiles bursting from the hatch covers of prowling submerged submarines.

It has appeared at a time when much of the world is convinced that the push button war of the comic books is already possible.

Worst of all, the first Arrows are beginning to fly at a time when budget cuts are a political platform.

Canada's defence spending per year on aircraft was $70 million less in 1957 than in 1953.

Really tough

Just how seriously the Arrow may be affected, nobody really knows. For the cabinet is working on an exceedingly tough decision. There is difference of opinion among the armed service experts.

A few weeks ago Defence Minister Pearkes was in Washington. One of his hopes was to get the Americans to buy some Arrows from us, thus softening the costs of the program for the Canadian taxpayer.

But he had no success. The Americans have a plane very like the Arrow —though, everybody admits, not as good. And besides, the people in the Pentagon want their own airplane industry to thrive and the U. S. aircraft industry is politically very powerful.

The original Canadian government Arrow order was for 37 planes to be delivered by 1960. Right now three Arrows have flown and another two or three are nearly completed.

What the cabinet must promptly decide is whether a further order should be placed so that Avro can swing into an assembly-line production effort.

From discussion in the House of Commons it would appear that RCAF thinking called for an eventual Arrow output of around three or four a month.

Avro is all tooled up and ready to go. But it must have a cabinet decision promptly.

About 30,000 Canadians are wholly or partly involved in building the Arrow today. There are 10,000 at Avro and 5,000 at **Orenda** which builds the engines. The rest are with the suppliers. About 650 companies are supplying Arrow parts.

By the end of this year, about $400 million will have gone to these companies on the Arrow program.

For Canada, these are monumental figures. They have triggered chain reactions throughout Canadian industry. If the Arrow program were stopped now, the effects would be severe.

See 11,600 jobless

First, with no Arrow to build, Avro and Orenda, its engine-making sister company, would have to cut their collective staffs to about 2,400 — a cut of more than 11,600 workers.

Avro and Orenda can see nothing much for them except a few small jobs to finish, plus maintenance on stuff already produced.

JAMES C. FLOYD
He's vice-president, engineering, Avro Aircraft Ltd., the man who supervised the design teams that produced the Jetliner, CF-100 and the CF-105 Arrow.

Avro has perhaps the highest ratio of highly skilled technical and engineering personnel of any industry in Canada.

The ratio of university graduates in the company is one to five of total employment. A few of these could be absorbed in a research, project Avro has in hand—but only a few.

For a great army who have had very special training in our universities and who have developed very special skills in the Canadian aircraft industry, a shut-down at Avro and Orenda means only one thing: Migration to the U. S. aircraft industry.

The U. S. aircraft industry has been howling to get them. Fierce loyalty to their own Canadian program has been holding them here.

But nowhere else in Canadian industry are there appropriate places for them.

Probably about 2,000 Canadian families would have to leave the country to find suitable work if the cabinet decides against the Arrow.

For more than a thousand Avro and Orenda mechanics who have been buying their homes in the Malton area, the "for sale" signs will quite probably go up.

Scores of the supplying companies are heavily dependent on their sales to Avro and Orenda. A few are wholly dependent. Some have made large investments in special equipment in anticipation of the Arrow orders.

For the construction of the Arrow and the CF-100, Avro has pursued an aggressive "Buy Canadian" policy which has resulted in the establishment of many local firms, or new branches of existing firms.

When U. S. firms only have tendered for Avro contracts, the company has put on pressure to get the successful contractor to establish his construction facilities in Canada.

One Montreal firm, skilled at hydraulics, gambled on an expensive tender for an Arrow component part and won it. Later, the company became so efficient at producing the part that it secured U. S. contracts.

One of the long-range effects of the Arrow program on Canadian industry has been to force technological advancement.

Says one Avro official: "We're trying to dispel belief that there are some things that Americans can do, and Canadians cannot do."

The subcontractors to the Avro program have responded with enthusiasm —with too much enthusiasm, the pessimists in the industry say.

One company which employs 90 men, has borrowed more than $250,000 to get complex equipment to mass-produce Arrow parts. The company is gambling that the Arrow will be produced in quantity.

If it isn't, the company will be in real trouble. The president of another subcontracting company recently estimated that he had invested five years' future profits in the expectation that the Arrow is going into production.

One portion of the electrical system of the Arrow is so complex that only two companies in North America can handle it.

Even more complicated equipment will go into future Arrows, and other highly strung weapons of the future.

Said one electronics engineer recently:

"Even if the Arrow did nothing else, it is creating a climate in Canadian industry suitable for the development of the higher branches of electronics, the sort of thing that normally we would have to rely on the Americans to develop."

Can't buy them

"In time of war," says John L. Plant, president of Avro Aircraft, "experience has shown it is virtually impossible to buy first line aircraft or engines from another country."

In addition, Canada's vast size, the frozen north, the lack of airfields, mean that special type airplanes are needed. The CF-100 was the first military plane designed for these conditions, the Arrow is the second.

The cabinet's dilemma about the Arrow comes down to this:

Is the manned aircraft still useful and will it be, say, for the next decade?

Or, is the manned aircraft done for, and is the time here now for us to depend on electronic missiles?

Defence Minister Pearkes has said the manned aircraft still has a considerable period of usefulness and essentiality ahead of it.

U. S. policy indicates they have no doubt of it.

Defenders of the manned aircraft make these points.

So far, missiles are notoriously inaccurate and, on the basis of experience to date, a U. S. shoot from Florida to Moscow is almost as likely to hit Toronto or Istanbul as it is to hit Moscow.

The missiles, it is claimed, can be rather easily confused and thrown off course by electronic jamming by the enemy. Men in airplanes are much better equipped to take counter measures.

Missile bases are highly vulnerable to low-flying attack. The missile is an extremely uncertain and incompetent weapon aimed at a low trajectory. It can do little against aircraft flying at a few hundred feet.

And the manned aircraft defenders say this with great conviction:

Defence based solely on a gigantic missile setup presupposes all-out, total war — a world holocaust, the final Armageddon.

But precisely because this kind of war will be so terrible and so utterly disastrous, the fact is that our defence problem is basically one of small wars —wars, therefore, in which the manned aircraft with its versatility and flexibility will be an indispensable weapon.

Limited war

In fact, as Korea tragically proved, a modern limited war can, in some respects, be more close in fighting tactics to World War I than to World War II.

In many instances, pilots found that Britain's relatively old Meteor jet fighters were superior to U. S. Sabres because they were slower, more stable and could dive into deeper valleys and fire more accurately during ground strafing attacks.

How good is the Arrow?

Canadians who know aircraft say it is clearly the best thing of its kind — a long-range all-weather, day and night interceptor.

It is a big airplane, the biggest interceptor ever built in the western world at least. It weighs more than a Viscount — 30 tons — and a Sabre fighter can nearly shelter under one Arrow wing.

Its bomb bay, or missile bay, is as big as those found in the World War II bombers which carried atomic bombs to Japan.

It flies as fast, or will fly as fast, as many guided missiles.

Although it is primarily an interceptor, which seeks and kills attacking bombers, it can also be used as a tactical bomber, carrying atomic weapons for the support of ground forces.

It is so powerful — 50,000 hp or twice that of the Queen Mary — that it has not yet been flown at full speed.

When it publicly flew more than 1,200 mph recently, it was climbing steeply. An informed guess is that it can right now fly over 1,500 mph.

The performance outlined above is possible when the plane is equipped with the U. S. **Pratt and Whitney** J75 engine.

But now going into Arrows for the first time is the Iroquois jet engine developed by Orenda and designed specially for the Arrow.

Equipped with two Iroquois, the Arrow's ultimate speed will be limited mainly by heat problems — keeping the outside skin from melting and the occupants inside from roasting.

'Manned missile'

It may reach the Mach 3 class, three times the speed of sound, or more than 2,000 miles an hour. It is, in fact, a "manned missile."

At 2,000 mph, flying to intercept a 1,500 mph bomber, the Arrow would be approaching the target at nearly one mile a second — which is five minutes elapsed time between New York and Toronto.

Its radar equipment which has a range "in excess of 25 miles" is pushed to the limits of its capabilities by the blazing speed of the airplane, which is one reason why the Arrow is a two-seater. One man flies, the other twiddles radar buttons and keeps the pilot from getting lost.

Compared with these fantastic speeds, the human brain and nervous system is far, far too slow.

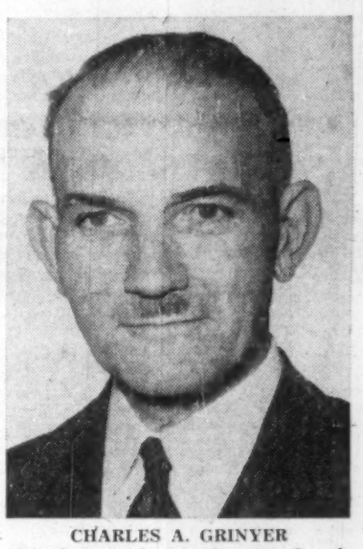
So the Arrow and similar U. S. planes have to be fought with electronic equipment on the ground.

Currently the U. S. is starting on a gigantic and enormously expensive program to set up a nationwide chain of SAGE stations.

These semiautomatic ground environment machines are, in effect, giant electronic brains which are supposed to detect incoming enemies, calculate their speed, height and direction, then compute the course which the defending interceptors must take for the one climactic shot.

(Because of the enormous speeds one defender will get only one shot at an enemy. If he misses he has no chance whatever of catching up for a second try.)

So a second and essential part of the decision with which the Canadian cabinet is now wrestling is what to do about an electronic ground control system without which the Arrow's usefulness is greatly limited.



CHARLES A. GRINYER
He's vice-president, engineering, Orenda Engines Ltd., the man who supervised the design teams that produced the Orenda and Iroquois jet engines.

To SAGE all Canada would be a fantastic expense. Perhaps a practical compromise approach would be to SAGE the industrial triangle, Fort William to Montreal to Toronto-Windsor.

Such a settlement would fit in pretty well with the U. S. SAGE program.

Concept useless

But so long as this segment of Canada goes without electronic ground control, the whole concept of unified U. S.-Canadian air defence doesn't mean very much.

Everybody recognizes the economics of mass production.

So a very natural question is this: Could Canada have saved money by buying planes being produced in considerable quantity in the U. S.?

The answer is probably yes.

But the only U. S. machine in production which is even close to being comparable to the Arrow is the F-106.

It is slower than the Arrow, carries only one man to the Arrow's two, has only one engine to the Arrow's two. It is the final modification of the old F-102.

Basic designs can take only a certain amount of modification. The F-106 has had an awful lot of it, and, as one man put it, "the F-106 is now at the end of the road. The present Arrow is just at the beginning of its career."

But from a national point of view and still considering money terms only, the amount of money saved by buying U. S. aircraft is much less than will at first appear.

One calculation given to FP is that about 65c of every dollar spent on Canadian aircraft finds its way back into Canadian government treasuries in the form of taxes at various levels of government collected from scores of companies involved, income taxes on wages, etc., etc.

So the "savings" Canada might make in buying "mass-produced" U. S. planes get pretty thin when examined from the national point of view.

And, of course, many Canadians feel strongly that our country must pay some price for nationhood and national dignity; that we must not always ride on U. S. shirttails.

We have pride

They point out that we pride ourselves on the excellence of some of our universities; that in many lines of scientific achievement Canadians, given the opportunity, have won world acclaim.

They say that if we are going to create, maintain and go on improving Canadian facilities for the advanced training of Canadians, then it would be disastrous nonsense to have no job in Canada to which these valuable people could go; that their enforced migration would be a kind of national suicide.

Avro and Orenda believe they have a record which merits their survival.

They have been designing from the ground up, not just building things designed and developed in other countries.

In this design and development of completely new things their record is indeed impressive.

Avro's 40-passenger Jetliner flew just 10 days after Britain's Comet, but because of the Korean war and the desperate urgency for CF-100s there, C. D. Howe ordered the company to concentrate on fighters. By the time the war was over, it was too late to get into the jetliner business.

The CF-100, of which over 700 have been produced, was another great Avro achievement — from the ground up.

Aviation people hold the CF-100 in enormous esteem. Some say it's the best of its kind anywhere.

Not long ago when the Belgians went shopping for this kind of aircraft, with carte blanche to buy anywhere they wanted, they bought CF-100s.

The Orenda engine is another triumph. So is its gigantic and amazing younger partner, the Iroquois.

And now comes the Arrow which, according to one aviation man, is at least five years ahead of any other plane in the sky.

Hot plane, problem

The Arrow is a hot plane.

It is also a hot problem for the Canadian government.

It may be that missiles are the weapon of the future; that in a few years, their reliability and accuracy will be enormously improved.

Currently, however, one missile base able to try and protect an area over a radius of 200 miles costs at least $100 million. For that scheme, North America obviously needs dozens or scores of such bases.

Looked at from any direction and from any set of personal preconceptions and prejudice, the problem of our defence planners is incredibly difficult, miserable, expensive and uncertain.

But one certainty there is: Killing the Arrow program would have a profoundly violent effect on many people and many companies.

Above all, it would deal a shattering blow to our entire scientific community and to those highly-trained Canadians who bet their professions on a rewarding and prideful career in Canadian scientific development.

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By VINCE LUNNY

You can roam the world—buy almost anything your heart desires—without having to jingle a single coin or wrestle impatiently with foreign exchange calculations.

You can eat, drink and make merry, pay for hotel rooms, obtain theatre tickets, rent cars, hire a stenographer, telephone home, even tip service personnel, using only small rectangular pasteboards.

These magic money eliminators carrying your signature are called credit cards.

For a long time oil companies held almost a monopoly on credit card business as they battled in a highly competitive market to extend facilities to hundreds of thousands of eager motorists.

Today credit card business is mushrooming at a phenomenal rate.

- **People who have credit** cards are using them more often.
- **The business** is constantly embracing new users.
- **It is being expanded** to include more and more services.

Enquiries regarding credit card risks account for more than 50% of the business of the Montreal Credit Bureau, formed originally to pool and disseminate information on department store customers.

Other credit bureaus report similar experience.

But rate of expansion in Canada still hasn't caught up with the U. S.

There, taxpayers must itemize reimbursed expenses on income tax returns. Credit card billings provide a convenient, acceptable record.

How many cards can a man get?

There is no limit. Some collect them with all the zeal of a philatelist.

The more cards a man accumulates, the bigger the target he becomes for other sponsors seeking to expand their credit business.

One Toronto credit expert estimates the average businessman, who does a good deal of traveling, carries between six and ten cards and, perhaps, a bank reference.

Canadian Bank of Commerce issues courtesy cards to reliable clients with established reputations, entitling them to cash cheques up to $100 a day at any branch in Canada.

What's the loss ratio on credit cards?

Surprisingly low.

Although all issuers are bilked occasionally for fairly substantial sums, most folk are honest.

Some, of course, allow their enthusiasm to blunt their judgment, and buy more than they can afford.

Time and patience on both sides usually solves that problem.

Hilton Hotels have nearly a million cards outstanding. They account for 50% of the chain's business with a loss ratio of ¼ of 1%.

The Queen Elizabeth in Montreal, opened only a few months ago, now attributes 35% of its business to cards, expects to surpass the chain's average of 50% by mid-1959 owing to its status as a convention centre.

Businessmen are more apt to carry these vest-pocket charge accounts than casual tourists whose monetary safeguards run mainly to travelers' cheques.

Queen E's credit manager is getting 200 requests a day for cards.

Sheraton Corp., besides processing its normal flow of requests, is busy sending cards unsolicited to prechecked risks.

Sheraton cards in Canada are accepted at most department stores, including **Eaton's, Simpson's** and **Morgan's**, at **Henry Birks** and at certain specialty and apparel shops.

There are, of course, places where strictly cash is the rule.

You can't present a credit card at the hungry maw of a parimutuel machine and get a ticket on a long shot in the fifth race.

You can't use it to appease a cab driver and a barber won't take a chance on getting clipped.

A hotel guest, seeking cash for such incidentals on his trip, will find that cashiers will advance $150 on credit card presentation.

Assistant managers in most cases are authorized to go as high as $250.

Want $500? Then see the credit manager. He'll handle your request with a smile.

Credit cards account for a big slice of airline business.

For **Trans-Canada Air Lines** in 1957, they represented sales of $19 million, or 25% of TCA's passenger income.

Company has nearly 30,000 active cards, many listed under names of business organizations and used by dozens of persons.

TCA credit cards may be used anywhere in the world under a universal plan adopted in 1947.

Reciprocally, TCA recognizes credit cards issued by other carriers.

Even the long-established card issuers as **Bell Telephone Co. of Canada** are enjoying the boom along with such aggressive newcomers as the **Diners' Club.**

With 680,000 members and offering 15,000 charge accounts on a single card, Diners' Club has left most of its young rivals as far behind as a caboose.

Bell introduced its cards more than 30 years ago.

They eliminate coin handling in phone booths, the nuisance of "collect" calls by traveling businessmen, and permit easy control of long-distance expenses at the home office.

Some 25,000 business customers are holders of cards issued by Bell in its Ontario-Quebec territory, an increase of 300% since 1953.

Charges made against these cards average $14,000 a month, almost five times the monthly average four years ago.

Another $48,000 a month is derived from credit calls to the U. S., or those placed by holders visiting there.

Other members of the Trans-Canada Telephone System report an average combined revenue of $4,500 a month for long distance calls charged to credit cards.

This is more than eight times as high as the monthly average in 1954.

The major oil companies, which introduced cards in the early '20s, are easily the biggest users.

It is said the **Texas Co.** has 1.7 million subscribers, including **McColl-Frontenac Oil Co.** customers in Canada.

Recently when one of the newer oil companies moved into the rich Montreal market, it saturated the area with cards, spending more than $40,000 a month on credit checks of prospects.

Another company offered a cash bonus to employees who obtained new credit customers.

Oil companies are not too selective. So long as a man owns a car and has reasonable stability, he can keep the engine running on credit.

Wary eyes are cast mostly on single young men in low income brackets with a penchant for switching jobs.

One such character, in possession of a card that would not have been issued had the company spent more time on a credit check, quit his job and toured the U. S.

He lived like a Sybarite by buying automotive equipment on credit and selling it for cash to unscrupulous wayside garages.

He ran up a bill of $5,000 before deciding to desist.

Even taking such rare escapades into account, oil company losses average ¾ of 1%.

More than 60% of all delinquent accounts are recovered by collection agencies.

While there are some collection problems, 90% of all credit card users pay their bills within 60 days.

The Diners' Club with its 680,000 members is the largest company of its type.

Current literature being mailed to potential joiners from the club's Canadian headquarters in Toronto says the card simplifies expense records, acts as an automatic bookkeeper for travel and entertainment expenses, guarantees red carpet treatment from coast to coast and in 72 foreign countries.

Card can even be used to engage temporary office help through **Manpower Inc.**

Diners' Club recently acquired the 100,000-member **Esquire Club,** organized two years ago by **Esquire Inc.,** magazine publishers.

American Express Co. assumed control of **Gourmet Guest Club** with 45,000 members prior to entering the credit card field in October.

American Express finds probably that travelers' cheques, long one of its staples, are not as much in demand now that cards have become so widespread.

ATLANTIC DISTRIBUTOR

Naugatuck Chemicals division of **Dominion Rubber Co.,** Montreal, has appointed **Plastics Maritime Ltd.,** Halifax, as distributor for Vibrin Polyester resins in the Atlantic provinces.

Why They Buy

Studies on the psychology of credit buying conducted by the Institute for Motivational Research reveal several factors which influence people to buy on credit and use their cards.

- **Basically,** people are hoarders.
- **Credit buying** is modern magic.
- **Credit cards** are a symbol of status.

Being hoarders, people like to have money in the bank. They take every legitimate means to defer cheque-writing.

They think people who buy for cash are old-fashioned.

They believe their credit cards place them in a selective group, giving them a badge of honor, a symbol of inexhaustible monetary potency.

You Can Share the Profit Back of This Credit Card

A unique feature of fast-growing, money-making Diners' Club is that you too can share in the profits.

Launched privately in 1950, Diners' Club was listed on the American Stock Exchange in July, 1956, with an authorized capital of 600,000 common shares, $1 par.

In November of the same year, 150,000 common shares were publicly offered at $8 per share.

The authorized capital was increased in June, 1957, to 1.2 million common shares and five months later the stock was split two for one.

Directors recommended a further increase to two million authorized shares earlier this year. At March 31, 1958 1,068,750 common shares were then outstanding.

Pricewise, Diners' Club stock has put on a remarkable performance.

Had you purchased a share in 1956 at the offering price of $8, you could have sold it for $46 in 1957, and (allowing for the two-for-one split) for $80½ in 1958! Recently the stock traded at a pre-split equivalent of $64.

This bouyant market pattern reflects substantial year-to-year increases in earnings.

Here is the profits picture for the past eight years:

Yr. ended Mar. 31	Net Income	Earnings per Share
	$	$
1951	—59,000	—0.15
1952	61,000	0.15
1953	82,000	0.20
1954	93,000	0.23
1955	194,000	0.48
1956	494,000	1.10
1957	732,000	1.65
1958	1,373,000	1.29*

*Not adjusted for two-for-one split.

To finance growth in volume and to provide funds required for promotion, company is continuing its policy of accumulating working capital by retaining earnings in the business.

Dividends are paid, however, in the form of stock.

An initial stock dividend of 5% was paid in June, 1956. The following year, the dividend was increased to 6%. In June, 1958 a 4% stock dividend was paid on the split common.

Note that the company's net income for the fiscal year ended March 31, 1958 increased by 75% — this in a period marked by a decline in general business conditions.

One reason is the increase in the number of cardholders. Membership jumped from 410,000 to almost 580,000 at the end of March.

Another is that individual cardholders were using their cards more. When times are tough a man like to take advantage of all the credit he can get.

Diners' Club prospects in the current fiscal year look bright.

In Canada, where there are already over 40,000 cardholders, new members are being processed at the rate of 2,500 a month.

Main source of income is the annual $5 membership fee. Added to this is a 7% commission paid to Diners' Club by member restaurants.

Reaction of Toronto restaurant operators to this credit card scheme has been almost entirely favorable.

They claim that the credit service, the free promotion and the prestige they get from belonging to the Diners' Club has increased business from 15% to 30%.

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ASSOCIATED ARTISTS PRODUCTIONS CORP.
(Formerly P.R.M.Inc.)

Redemption of Debentures for Sinking Fund

TO THE HOLDERS OF 6% SUBORDINATED CONVERTIBLE SINKING FUND DEBENTURES, 1956 ISSUE, OF ASSOCIATED ARTISTS PRODUCTIONS CORP. (MATURING JULY 25, 1966) ISSUED UNDER A TRUST INDENTURE DATED AS OF THE 25th DAY OF JULY, 1956, AS AMENDED BY A FIRST SUPPLEMENTAL INDENTURE DATED AS OF THE 15th DAY OF AUGUST, 1956, AND A SECOND SUPPLEMENTAL INDENTURE DATED AS OF THE 17th DAY OF MAY, 1957, ALL MADE IN FAVOUR OF CROWN TRUST COMPANY, TRUSTEE.

NOTICE IS HEREBY GIVEN that pursuant to the provisions of the said Trust Indenture, as amended by the Supplemental Indentures, the underlisted 6% Subordinated Convertible Sinking Fund Debentures, 1956 Issue, have been drawn by lot for redemption (in whole or in part, as hereunder indicated) out of Sinking Fund moneys and will be redeemed accordingly on the 15th day of October, 1958.

The redemption price of each of the Debentures so drawn, being the principal amount thereof to be redeemed and interest on such principal amount accrued and unpaid to the said 15th day of October, 1958, will be paid in currency forming legal tender of the United States of America in the case of Bearer Debentures, to the bearer thereof or, in the case of Registered Debentures, to the registered holder thereof, upon presentation and surrender thereof, with, in the case of Coupon Debentures, all appurtenant coupons maturing on and after January 25, 1959, at any branch in Canada (far Northern Branches excepted) of The Bank of Nova Scotia. In the case of Fully Registered Debentures called for redemption, as to part only of the principal amount thereof, after the surrender of each of the said Debentures, there shall be delivered to the registered holder thereof, without charge, a new Debenture of a denomination equal to the unredeemed part of the principal amount of the Debenture so surrendered.

The distinguishing letters and numbers of the Debentures so drawn by lot and the principal amount thereof are:

Coupon Debentures in the denomination of $1,000 each, bearing the distinguishing prefix of DM called in full:

0015	0647	1138	1536	2013	2569	2985	3449
0023	0652	1139	1539	2015	2570	2993	3451
0035	0672	1140	1540	2019	2573	3010	3457
0037	0678	1147	1558	2024	2579	3011	3467
0052	0698	1149	1562	2054	2606	3024	3468
0054	0700	1160	1611	2065	2608	3026	3473
0056	0702	1170	1624	2072	2610	3031	3490
0076	0733	1175	1627	2083	2611	3032	3491
0086	0767	1196	1633	2084	2616	3033	3492
0154	0769	1207	1638	2088	2617	3056	3495
0155	0790	1212	1639	2100	2631	3061	3498
0168	0806	1230	1647	2101	2632	3062	3503
0171	0807	1232	1655	2103	2637	3099	3504
0199	0832	1233	1658	2104	2647	3101	3506
0202	0833	1244	1670	2109	2651	3113	3508
0205	0834	1248	1685	2121	2671	3128	3517
0208	0835	1250	1688	2125	2672	3132	3526
0219	0842	1254	1695	2134	2673	3141	3527
0229	0849	1279	1706	2135	2674	3142	3532
0233	0871	1280	1707	2136	2678	3150	3544
0239	0875	1281	1708	2165	2679	3175	3547
0258	0879	1289	1718	2174	2693	3195	3568
0265	0886	1313	1720	2182	2694	3197	3569
0275	0897	1340	1726	2190	2697	3199	3576
0284	0904	1343	1732	2198	2706	3206	3596
0299	0912	1367	1753	2199	2709	3207	3606
0301	0927	1393	1754	2200	2720	3219	3623
0305	0928	1397	1769	2213	2722	3224	3637
0321	0936	1398	1778	2216	2725	3226	3638
0335	0945	1399	1792	2239	2726	3228	3639
0353	0953	1410	1808	2240	2732	3229	3640
0378	0963	1412	1825	2242	2766	3238	3646
0386	0964	1424	1835	2252	2795	3255	3651
0393	0986	1430	1849	2256	2803	3294	3670
0394	0999	1431	1855	2267	2816	3296	3683
0402	1008	1439	1863	2268	2832	3299	3691
0415	1016	1440	1873	2325	2833	3321	3694
0441	1046	1443	1903	2327	2835	3324	3696
0461	1058	1454	1909	2418	2846	3329	3703
0470	1079	1457	1923	2433	2853	3352	3707
0471	1085	1462	1929	2436	2894	3364	3719
0472	1086	1463	1930	2451	2896	3374	3729
0474	1091	1467	1932	2466	2901	3376	3730
0475	1096	1468	1933	2477	2912	3391	3734
0477	1107	1479	1961	2484	2913	3397	3754
0478	1108	1487	1963	2491	2928	3398	3777
0482	1111	1492	1983	2493	2929	3405	3782
0517	1121	1505	1991	2503	2937	3406	3803
0518	1127	1511	1992	2521	2944	3432	3818
0535	1128	1522	1998	2549	2945	3444	3827
0541	1129	1523	2000	2567	2947	3445	3831
0542	1130	1528	2012	2568	2948	3446	3836
0641	1135						

Fully Registered Debentures in denomination of $1,000 each, bearing the distinguishing prefix FR called in full:

0017
0041

Fully Registered Debentures in denominations in excess of $1,000 bearing the distinguishing prefix FR, of which part only has been called:

0021 to the extent of $1,000
0059 to the extent of $1,000
0060 to the extent of $1,000

NOTICE IS FURTHER GIVEN that interest on the principal amount of Debentures so to be redeemed shall cease from and after the said 15th day of October, 1958.

NOTICE IS ALSO GIVEN that the holder of Debentures called for redemption as aforesaid shall have the right, which may be exercised at any time before the close of business on the 14th day of October, 1958, to convert such Debentures into fully paid and non-assessable shares of the par value of 25c each in the capital of the Company (without adjustment for interest accrued on such Debentures) on the basis of 108 fully paid and non-assessable shares for each $1,000 principal amount of Debentures so converted.

If the holder of a Debenture desires to convert his Debenture, such holder shall exercise the right to convert such Debenture into fully paid and non-assessable shares by delivering to the Transfer Agent, Crown Trust Company, at its office in the City of Toronto:

(a) such Debenture together with all unmatured coupons thereto appertaining and with, if the Debenture be registered as to principal or registered as to principal and interest, a Power of Attorney to transfer the same, duly executed in blank;

(b) a written request, signed by the holder or his Attorney or Agent, duly appointed in writing, exercising his right to convert such Debenture and naming the person or persons in whose name or names such fully paid and non-assessable shares are to be issued, the number to be issued to each and the address of each;

and if the holder of such Debenture shall request the issuance of fully paid and non-assessable shares in the name or names of a person or persons other than himself, by paying to the Transfer Agent such sum in lawful money of Canada as may be required to satisfy any transfer taxes or other Governmental taxes or charges arising by reason thereof.

Dated at Toronto, Canada, this 10th day of September, 1958.

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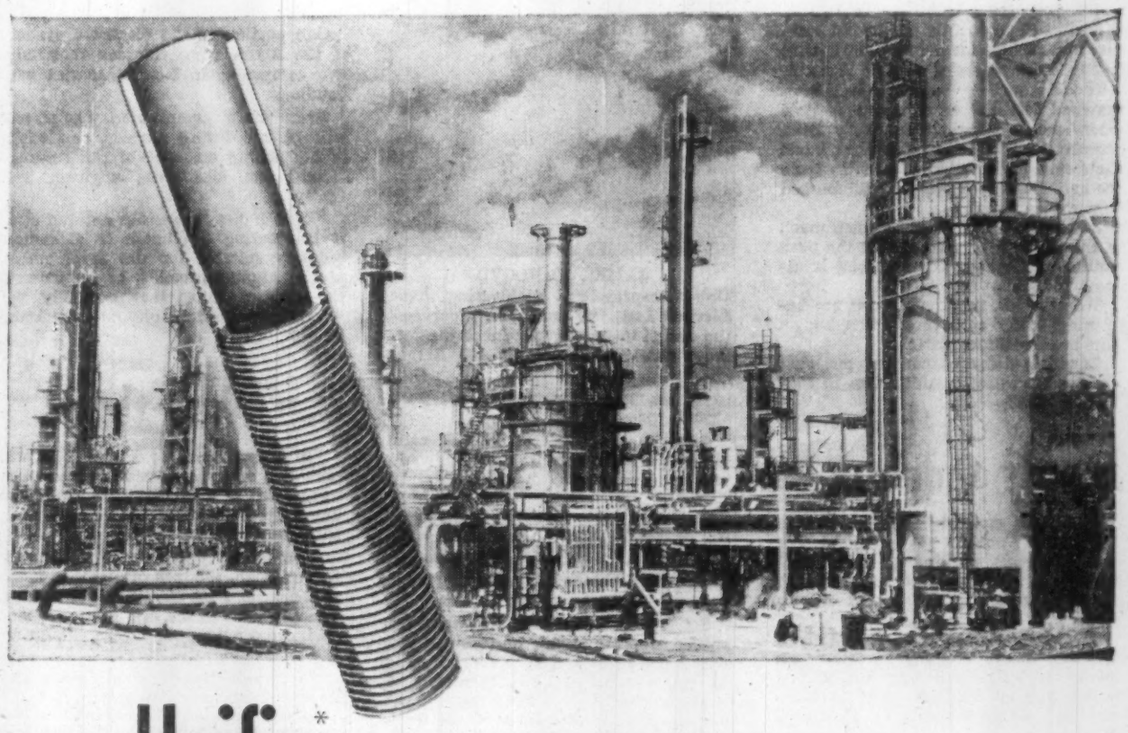

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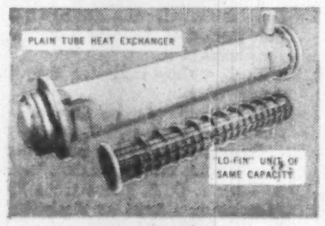

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ANNOUNCEMENT

MONDO PHOTO APPOINTMENT

ROBERT K. BRAYTON

The appointment of Robert K. Brayton as Sales Manager is announced by Mondo Photo Limited, of Toronto, distributors in Canada for Agfa of Germany, one of the giants of the photographic industry. Agfa products, missing from the Canadian Market since the outbreak of World War II, enjoy world wide recognition for their high degree of precision and elegant styling.

Mr. Brayton brings the knowledge acquired from over 23 years in the photographic industry, as photographer and sales representative. For a period of six years he held the position of staff photographer and chief photo lab technician with Weekend Picture Magazine.

Note, Tone and Profit

Color can sell, soothe, save and stimulate for you...

By RICHARD OGDEN

Color consciousness can boost profits.

Blends of the right colors in your office and factory really affect morale, productivity and safety.

One official of the National Office Management Association now lists color planning of offices on a par with air conditioning and job evaluation.

Latest convert to color consciousness: The retail community.

Retailers are learning that a congenial interior not only draws customers, but can produce more impulse appeal than any other factor.

So strongly is this felt that **Kroger Co.**, Cincinnati, Ohio, is introducing a new concept in color styling to its 1,450 food stores.

This is the work of Howard Ketcham, a leading U. S. color engineering authority.

The new food sales strategy calls for "feminizing" the markets.

This means making them more habitable, homelike and more appealing.

It requires far more than mere facelifting.

It calls for a completely new approach in multiplying impulse appeal by eliminating conventional display posters, and unrelated displays.

Instead, the professional color and design concept features original wallpapers specially created to identify the store's principal departments.

For instance, fresh produce displays are backed by a ceiling-high wallpaper mural featuring a cornucopia spilling out fruits and vegetables.

The meat department is identified by feature wallpaper illustrating all types of meat animals and poultry.

This serves as a ready guide for shoppers.

It aso relieves store interiors of the cluttered appearance of banners, signs and streamers which make women feel "hemmed in."

Ketcham says that the only way to increase impulse buying is to make every element of the store interior a foil for merchandise.

Color planning to provide the right color arrangements, he states, is the easiest and least costly way to accomplish this profit building objective.

His company, **Howard Ketcham Inc.,** New York, says that in many cases retailers can save by investment in store modernization simply by adequate color planning and effective lighting.

Here's what Ketcham says functional use of color can do for your office:

- **Increase** amount of work turned out by each employee without increased effort.
- **Generally** improve employee morale.
- **Benefit** employee health.
- **Improve** customer relations.
- **Increase** company prestige.
- **Reduce** absenteeism.
- **Attract** high-grade employees.
- **Give** employer and employee greater satisfaction with their work area environment.

Today's office has an enormous variety of color to choose from.

Even typewriters, telephones and filing cabinets come in wide assortment of colors.

Effective use of color has two basic aims:

- **To relax tension.**
- **To stimulate action.**

Strong colors not only distract from work, but are so attention compelling that they tire people.

On the other hand, one must avoid colors which lack any personality.

The answer: Colors which are neither too grey nor too bright.

The most effective color scheme for offices is the effective use of a few colors, rather than a combination of many.

Color has a pr value, too.

Office visitors can be won by color stimulations.

Reception rooms and conference rooms should be color-engineered, too.

These rooms impress the personality of the company on the visitor. Their color schemes should express dignity and prestige.

Music will boost your output, but choose carefully...

By RAYMOND VARELA

Music can lift your output, and plenty of Canadian executives know it.

Companies with music-while-you-work claim production increases of 12%-15%, and note reduction in worker fatigue.

However, there are pitfalls.

Piping music into a plant or setting up an integral installation isn't as simple as it may appear.

Unless those in charge of programs understand the principles involved the whole idea may boomerang.

The selection of records is one of the most important factors if the music is to be effective.

Workers want tunes they know. The most successful program is the one which enables them to hum or sing.

If they feel it necessary to stop and listen an inevitable slowdown in productive rhythm occurs.

Numbers which have no melody, or are so played that the melody is lost, are unsuitable.

The melody must be clear and definite.

Some industrial psychologists believe that rhythm chosen should be slightly faster than the normal working speed of the operator.

The idea is that such a rhythm will increase the work pace.

Muzak Inc. of Toronto—one of the leaders in the field of industrial music installation—has some interesting findings.

In all plants the processes are many and infinitely varied. Consequently, the working speed of an operator varies.

Experiments have shown that the work rate of a slow operator cannot be stepped up by music to that of the naturally fast operator.

Besides, the rate at which most operators can work is governed by factors beyond his control.

The machine operator's speed is directly geared to the machine's time cycle.

Considering the somewhat conflicting arguments, music must be considered as a psychological booster.

It helps create the right atmosphere for productivity.

Extremes of tempo should be avoided if the music installation is to be successful.

Slow tunes act as a soporific while fast items are often an irritant.

Vocal items are undesirable because they tend to distract the worker.

Organ music is also considered unsuitable as the notes have a tendency to "boom," thereby adding to the noise.

Both Dixieland and Rock n' Roll are unsuitable.

Musical tonic diminishes in effect if applied in overdoses.

For a normal working day no more than three hours of music are advisable.

Workers who benefit most from music installations are those on monotonous, repetitive jobs. This applies particularly to women in industry.

Generally, experience indicates that music is unsatisfactory for executive and office workers.

Normal office routine cannot be carried on against a background of music.

What do workers like to hear?

Here's a rundown based on British Broadcasting Corp. findings:

- **Dance bands** provide a successful medium for creating a spirit of cheerfulness and gaiety.

Novelty combinations are welcomed for their musical variety.

- **Theatre orchestras** possess a versatility of performance which, added to their bright style, makes them popular.
- **Light orchestras,** featuring selections from light operas and musical comedy, help break the monotony of too much dance music.

They are best received in shops where noise is not a problem.

- **Military bands** are popular with older workers, especially with men engaged in heavy industry where initial exhaustion is physical rather than mental.

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Low-Cost Housing For Edmonton Okayed by Ottawa

A housing loan of $1,958,614 for construction of a 220-unit housing project for low-income families in Edmonton has been approved by the Federal Government.

The NHA loan is being made to **Wellington Housing Developments Ltd.**

Project will be situated west of 140th St., between 132nd and 137th Avenues. It will comprise 52 two-bedroom, 102 three-bedroom and 66 four-bedroom row-housing units.

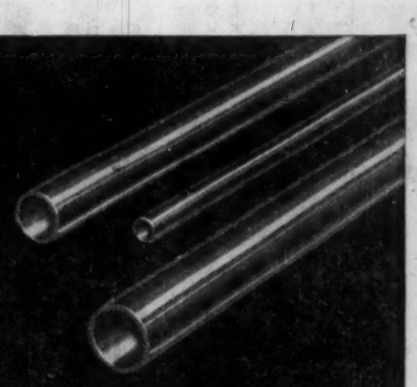
Monthly rentals and maximum annual incomes of tenant families at initial occupancy will be $61.50 and $2,952, respectively, for the two-bedroom units; $68.50 and $3,308 for the three-bedroom units and $76.00 and $3,648 for the four-bedroom row houses.

MAGNUM FUND LTD.

Hermann J. Abs, member of the management board of Deutsche Bank A.G. and a director of many leading German companies, and Lord Rothschild, G.M., F.R.S., of Cambridge, England, have been elected directors of **Magnum Fund Ltd.** (formerly **Mexican Tramways Co.**), Toronto.

TRINITY - CHIBOUGAMAU MINES has started drilling its Mattagami area property. Two magnetic anomalies will be probed on the north portion of the property.

WHAT DO YOU MEAN "TUBEMANSHIP"?



For more than 40 years at Wolverine plants in the United States, "Tubemanship" has been the word used to describe quality tube and tube-manufacturing techniques.

Now that Wolverine Tube has started production in Canada, Tubemanship will become an integral part of daily operations in its new $7,000,000 plant at London, Ontario.

Tubemanship stands for years of experience, constant research, sound engineering and a "top to bottom" organizational determination to manufacture only the finest of copper and copper-base alloy tubing.

Wolverine's tubular product line includes copper water tube and pipe, copper drainage tube (DWV), copper refrigeration service tube, copper general purpose tube, commercial copper and brass tube for general industry and copper-base alloy condenser tube. Each of these various types of tubing will be manufactured from Canadian raw materials and will be available in a wide range of sizes, wall thicknesses and alloys.

Wolverine's new plant at London, Ontario is among the most modern on the North American continent and its tube manufacturing equipment is the finest available. Rigid quality control throughout all steps of the manufacturing process will assure tubing that completely meets all government and industry specifications.

Next time you order copper or copper-base alloy tubing make Wolverine Tubemanship your "Buy Word". For complete information about Wolverine products write for your copy of the General Products Catalogue.

WOLVERINE TUBE
DIVISION OF CALUMET & HECLA OF CANADA LIMITED
LONDON, CANADA

Housing Project For Sept-Iles

A Federal Government housing loan of $918,342 for construction of a 100-unit housing project for low-income families in Sept-Iles, Que., has been approved.

The NHA loan will be made to **Sept-Iles Gardens Ltd.**

Project will be situated on the southwest side of Laure Avenue and will comprise 74 three-bedroom and 26 four-bedroom row housing units.

Monthly rentals and maximum annual incomes of tenant families at initial occupancy will be $67.50 and $3,120, respectively, for the three-bedroom units and $75.00 and $3,480 for the four-bedroom row-housing units.

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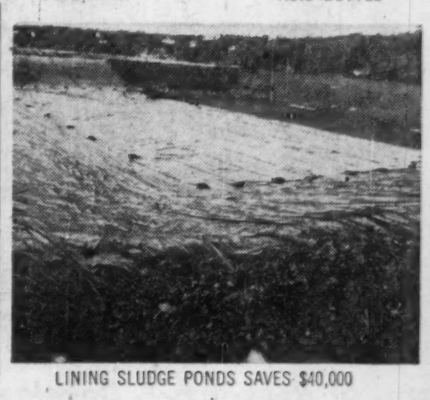

LINING SLUDGE PONDS SAVES $40,000

Polyethylene, now termed "the fantastic plastic of 1001 uses", is spreading itself far and wide as a practical, modern plastic product profitable to consumer and industry alike. Available in film and container form, it is an inexpensive packaging material used to profitably package almost anything from food to industrial products.

In construction it is used to protect work-in-progress and construction crews from adverse weather.

Mr. Farmer now uses protective polyethylene film for outside storage of harvested crops.

The uses of polyethylene as a protective and packaging material are far reaching—and profitable for the user. We suggest you investigate how it can be advantageously used in your business. Write us for detailed information.

Write for your copy of "Packaging with Plastics" today!

This booklet contains actual case histories of how other people are profitably using BAKELITE brand polyethylene film.

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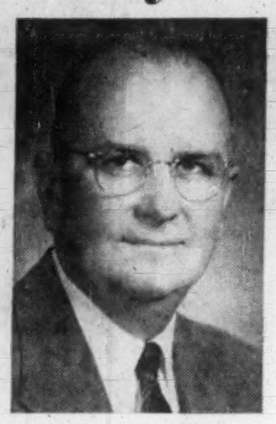
HOWARD I. WEIR, vice-president and director of agencies for the **London Life Insurance Co.**, is chairman of the third annual united appeal campaign in London, Ont. Mr. Weir was born in Huron County and educated at Wroxeter and Wingham. After seven years in the teaching profession, two of them as principal at Owen Sound, he entered life insurance business, joining the London Life at Owen Sound in 1933. In 1941 he was appointed assistant superintendent of agencies at his company's head office. In 1953 he became assistant general manager and was this year appointed to his present post.

FRANCIS E. STERNE, campaign chairman for Brantford and Brant County, Ont., Community Chest, is managing director of **Atlas Powder Co.**, vice-president of **G. F. Sterne and Sons Ltd.**, director of **Gaco Products Ltd.**, and president of **Product Techniques and Supply Ltd.** He has long been active in community work. He is past chairman of Brantford Recreation Commission and of St. John Ambulance, Brantford Branch advisory board. He is chairman of the board of management of Zion United Church, a director of Brantford Rotary Club and a member of other social clubs.



EDWARD KENNARD, general campaign chairman of the St. Catharines and District Community Chest, is executive vice-president and general manager of **McKinnon Columbus Chain Ltd.**, St. Catharines, Ont. Mr. Kennard has traveled widely, is active in United Church activities and several public service organizations. He was educated at Hamilton and was with **John Inglis Co.** as divisional superintendent; **St. Catharines Steel Products Ltd.**, as vice-president, and **A. V. Roe Canada Ltd.** as production controller before his present appointment in 1953.

FRED E. DALBY, campaign chairman of the Port Arthur Community Chest, was born and educated in Saskatoon. He moved to Port Arthur, Ont., in 1946 as manager of **Imperial Optical Co.** He has been associated with the YMCA for 30 years. He was the charter president of Port Arthur YM YWCA. Mr. Dalby takes a deep interest in other community organizations, being associated with the Children's Aid Society, Port Arthur Board of Education and Port Arthur Technical School. He is president of Port Arthur Rotary Club and Port Arthur Golf and Country Club.

A. WILLIAM PURDY is the 1958 campaign chairman of the Greater Moncton Community Chest, Moncton, N.B. Mr. Purdy is sales manager of the **Maritime Cement Co.**, Moncton. He was born at Toronto and graduated from Queen's University in 1949 when he joined the **Canada Cement Co.**, in Toronto. He has lived in Moncton since 1950. Mr. Purdy is vice-president of the Canadian Construction Association for New Brunswick and Prince Edward Island. He served as campaign chairman during the 1957 Community Chest drive for funds in Moncton.

MAXWELL S. PASCAL, president and general manager of the **J. Pascal Hardware Co.**, is general chairman of Montreal's 1958 joint campaign for the Combined Jewish Appeal and United Israel Appeal. He is a partner in **General Tools and Hardware of Canada**, and president of three associated firms. Mr. Pascal is also an officer of six Jewish communal agencies in Montreal and a member of the national council, American Jewish Joint Distribution Committee. He served as vice-chairman of both the Red Cross Campaign and Combined Appeal for the Blind.

Can We Really Blast U. S. Wheat Deal with India?

From Our Own Correspondent

WASHINGTON, D.C.—Washington is readying a giant new farm surplus aid deal with India.

This one is expected to be worth about $200 million.

The Indian minister of finance, Morarji Desai, has been meeting with U. S. officials to put the finishing touches on the deal.

Aside from this surplus disposal agreement, the U. S. has shipped to India about $425 million in surpluses in the last two years.

It has been made clear that this expected new deal with India is clear-cut foreign aid to that country.

Drought and heavy rains in different parts of India ruined much of the crop this year, with production of wheat, rice and other grains falling an estimated 6.7 million tons short of estimates.

The movement of U. S. farm surpluses to India is part of Washington's efforts to make disposal of the surpluses an arm of U. S. foreign economic policy.

It is designed to beef up India's economy to prevent it from faltering and a resultant flirtation with communism.

Canada will find it very hard to object to disposal of U. S. surpluses under these terms.

Under terms of the renewed surplus disposal legislation — Public Law — 480 — Washington must confer with Canadian officials to be sure this disposal does not cut into any Canadian markets in India.

Some of those consultations already have taken place.

In addition to this farm deal, the U. S. will lend about $100 million to India in cash.

Also the U. S. is expected to defer until 1967 repayments on the $190 million wheat loan made to India in 1951.

Glu-Lam Timber Output 'Policed' In Market Drive

Makers of glu-lam timber have formed their own "police department" to ensure quality of manufacture.

The process is an old technique which has grown into a multi-million business in Canada in the last few years.

Glu-lam—short for glue-laminated timber—is now widely used in construction of churches, schools, warehouses, factories, bridges and stores.

Made from strips of wood glued together with the grain parallel, glu-lam beams can be built up to great lengths and almost any curvature.

Defects are more widely scattered than in natural wood and it is also dry.

This gives it more strength, greater resilience, and resistance to impact than natural wood.

Some samples of use:

- **Glu-lam girders of** a bridge in Manitoba are 114 ft. long.
- **The navy uses** a white oak glu-lam for some of its ships.
- **Most uranium mine** processing plants in Canada have glu-lam construction.

Glu-lam's fire resistance is extremely high even in the Arctic (**FP**, August 30).

Unlike metal, it does not buckle in intense heat. There are no difficulties in very low temperature either, say glu-lam men.

It can be used anywhere a structural member is needed. Best application is for use in one-story warehouses, factories and commercial buildings.

Glu-lam can perform an architectural as well as a structural function. As the support for the roof of a church it presents a pleasing effect.

But in the battle for a bigger share of the light construction field, among its chief obstacles have been local building bylaw provisions and the fact that its commendable qualities were not generally recognized.

The Canadian Institute of Timber Construction, formed five years ago by a group of timber laminating firms, has been the motivating force in bringing glu-lam to the forefront in the construction picture.

Now it has gone a step further by establishing a system to ensure that its member firms in the glu-lam field are properly equipped and staffed and will maintain strict quality control of production.

The new system involves a qualification code for application to manufacturers of structural glued-laminated timber, and a certificate and label service available to certified manufacturers for use with their products.

Member manufacturers in British Columbia, Alberta, Ontario and Quebec have already been certified.

The institute is recommending that architects and engineers, building code officials and government bodies as well as other users call for the manufacturer of structural glu-lam components to be "a plant approved by the CITC as a certified manufacturer."

The new code, claims the institute, is no rubber stamp. It calls for a careful examination by the institute's own inspection service of the plant manufacturing equipment, quality control equipment, key production and quality control personnel and manufacturing and quality control procedures.

The code requires that re-examination be made by the institute at intervals of about six months without warning to the plants involved as an assurance that the code is being adhered to in practice.

The institute is also urging that the certificate authorized by the code be provided for every project and that the official label be required on the products supplied.

One requirement is that drawings for every structural project bear the seal of a registered professional architect or engineer. Another is that manufacturing methods and materials be in accordance with applicable specifications of the Canadian Standards Association.

A third is that certified manufacturers are prohibited from selling or offering for sale any structural materials not in accordance with the code.

Three classes of certification are provided for:

- **Class 1 certified manufacturers** are qualified for the production of interior grade glu-lam using water-resistant glues. This covers glu-lam not subject to exposure to weather in use such as is used in churches, schools, factories, etc.
- **Class XS certified manufacturers** are qualified for the production of exterior grade glu-lam using softwoods such as is used for bridges, towers and other outdoor construction.
- **Class XH certified manufacturers** are qualified for the manufacture of exterior grade glu-lam using hardwoods such as is used in marine construction for ships and boats.

Jubilee Look At Our Forests

MONTREAL (Staff)—A wide-ranging look at a major industry takes place Oct. 5 to 8 as Canadian Institute of Forestry holds its 50th anniversary meeting in conjunction with the golden anniversary of Forestry School of University of New Brunswick.

The big meeting will be in Fredericton, N.B.

Main business: A study of forestry commissions, their methods and results. Also included are sessions on fire protection and reforestation.

Diesel Tractor M-F's Biggest

Largest tractor marketed by **Massey-Ferguson Ltd.**, the "95" is now being offered in company's Canadian and overseas export markets.

The six-cylinder diesel, with power steering, is the same as the "GB" tractor manufactured by **Minneapolis-Moline Inc.** The U. S. firm also produces one- and two-row corn pickers for M-F, under a recently completed marketing agreement between the Minneapolis and Toronto implement manufacturers.

Designed for large-scale farming operations, the "95" has capacity to handle big tillage implements and pull-behind equipment.

B.C. POWER CORP. has issued 150 common shares to key officials under options, raising number of common shares outstanding to 4,549,181.

GOPPER MAN MINES has acquired three properties totaling 75 claims in Mattagami area of northwestern Quebec. Exploration work is planned.

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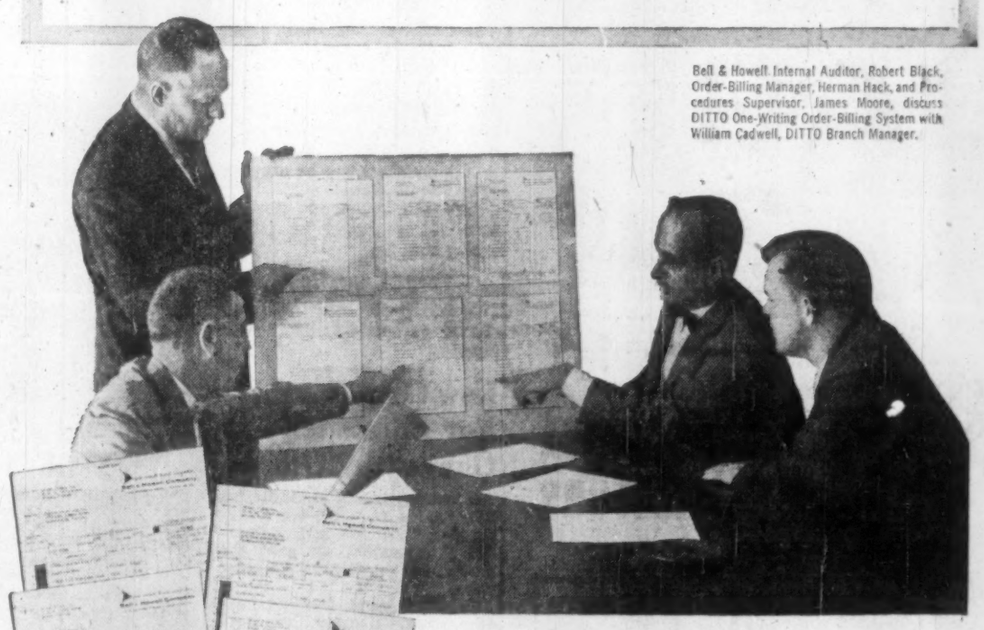

Bell & Howell Internal Auditor, Robert Black, Order-Billing Manager, Herman Hack, and Procedures Supervisor, James Moore, discuss DITTO One-Writing Order-Billing System with William Cadwell, DITTO Branch Manager.

Bell & Howell DITTO One-Writing Forms

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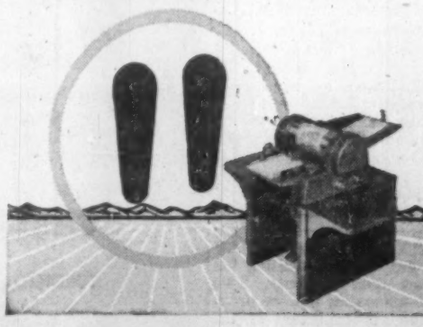

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Losses Hurting: Truckers Track Fuel Bill Cheats

One dishonest driver can put $3,000 of company money in his own pocket every year...

Truck drivers who pad fuel charge accounts are going to find it tougher from now on.

With a total of one million vehicles operating commercially on Canadian highways, the practice of charging the company for fuel which is never used gets more serious all the time.

It's estimated that some drivers make as much as $20 a week in extra income over a year. Some make even more.

Total loss to the truck-operating firms as a whole runs into thousands of dollars in a year.

The big long-distance trucking operators who have regular runs and, usually, their own gas and repair depots at regular intervals are not bothered too much.

Other firms equip trucks with a saddle tank and drivers are only allowed to fill up at the firm's own pump.

Trucking officials say, too, that there's little opportunity for overcharging on moderate or short runs and in city delivery operations.

Fueling systems at company garages also enable costing departments to check consumption fairly accurately and detect any dishonesty.

The practice is most prevalent on irregular runs where the driver has to fill up at stations other than those designated by the company.

Many firms now try to beat fuel account padding by specifying certain service stations as refueling points.

They feel that they are exercising control to a much greater extent, but admit that they can't be sure that this method is successful.

A Canadian automotive official directly concerned with the problem says that most truck drivers and most service station attendants are honest men. A few cause all the trouble.

But the few are costing the industry generally enough money to make the problem real.

Here's how the driver anxious to make an illegal buck works:

He stops at a service station and orders the tank topped up.

If it takes 30 gal., he asks the attendant to charge for 50 and cost of the 20 gal. difference is kicked back in cash or merchandise.

Later, fleet owner dutifully pays for 50 gal. of gas.

In the U. S. a trucking firm retained a private investigator who followed drivers suspected of defrauding the company, using a cameraman concealed in a truck.

He proved that drivers could make as much as $210 in cash and merchandise during a four-day trip.

While hijacking by credit card is not as bad in Canada as in the U. S., a prominent long distance furniture moving firm executive says:

"Amounts obtained by misuse of credit cards and charge accounts in Canada usually vary between $5 and $10 per day.

"Instances of higher illegal profit for the drivers are suspected, however.

"The $5 to $10 per day estimate means some operators who are swindling their firms have an extra income of between $1,560 and $3,120 per year.

"While these sums are fairly moderate individually, when multiplied by numerous drivers substantial amounts are obtained through cheating the trucking companies.

"On the basis of the enquiry into such charges made in the U. S., the driver who obtains $210 in four days could fraudulently obtain $16,000 per year in cash and merchandise.

"Taking the situation in all its phases, these fuel abuses must be stopped because they are so serious."

Recently a driver for one of the largest transport companies in Eastern Ontario was dismissed for reportedly "fixing" gasoline charges at a service station.

A local of the Teamsters, Chauffeurs, Warehousemen and Helpers Union presented the case for arbitration at Montreal since the alleged incident occurred in Quebec.

Evidence was presented to the board showing that passing of the money in the cost fixing was witnessed by another employee of the company.

The dismissed driver had then warned this employee to "keep his mouth shut."

The board upheld the employer's dismissal of the driver.

One answer to the problem of keeping track of gasoline bought on the road may be a meter installed between the fuel pump and carburetor.

Only recently introduced in Canada and sold by **Canadian Charts and Supplies Ltd.**, Oakville, Ont., the Servis Fuelometer is said to check gas consumption accurately and keep erring truck drivers honest.

Installed on a company truck by a large Toronto furniture moving company as a test, it gave an accurate recording of the gas used and proved this particular driver was not cheating his firm.

In the U. S., where the meter has been in use for some time, a San Francisco transport firm hid one of the meters inside the I-beam of the frame.

It proved that a lot of gasoline was being bought which never got into the gas tank.

A firm in St. Louis estimated that it cost $48,000 in credit card abuse in 1957.

Installation of a meter on every truck resulted in a saving of $9,000 during the first quarter of 1958, the firm claimed.

The Servis Fuelometer costs $63 in Canada and is usually installed by the buyer's own mechanics.

A second model is available, not for detecting thieves, but to detect oil coolant leaks on generators and transformers.

The truck meter is said to be tamperproof.

Fuel is measured to within one-half of 1% and the unit records, in 10ths of gallons, up to 9,999.9 and repeats.

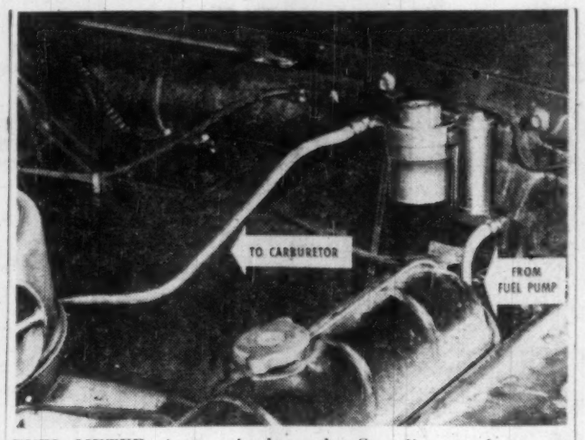
The meter can't be used on diesel-powered trucks right now.

Auto rental firms in Canada, too, are interested in the meter, not as means of detecting dishonest customers who claim they had to buy gas after renting a car — they are rare birds in Canada — but in the hope that it will help them keep more accurate records of their costs.

Another advantage of such a meter:

Trucks using highways pay a gasoline tax. Owners of vehicles used only for bush or field hauling work can claim a tax refund later.

A meter which gives a complete record of gasoline used assures the operator of the full refund.



FUEL METER, just arrived on the Canadian market, may help truckers cut down losses from padded gas bills. It keeps a hidden check on all gasoline used by a truck's engine.

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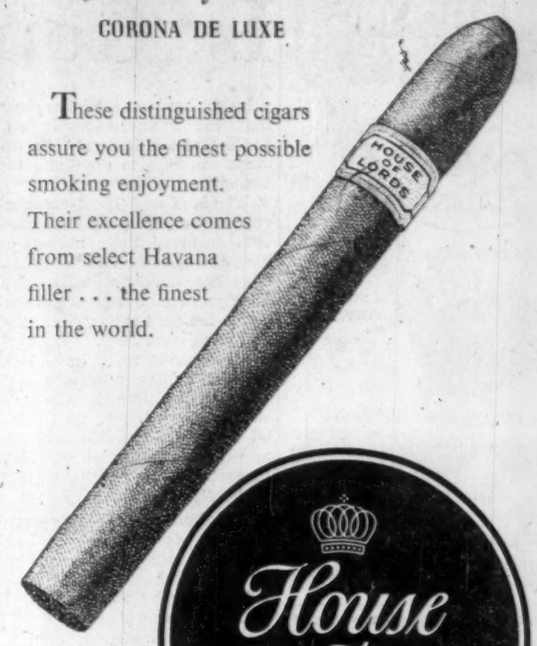

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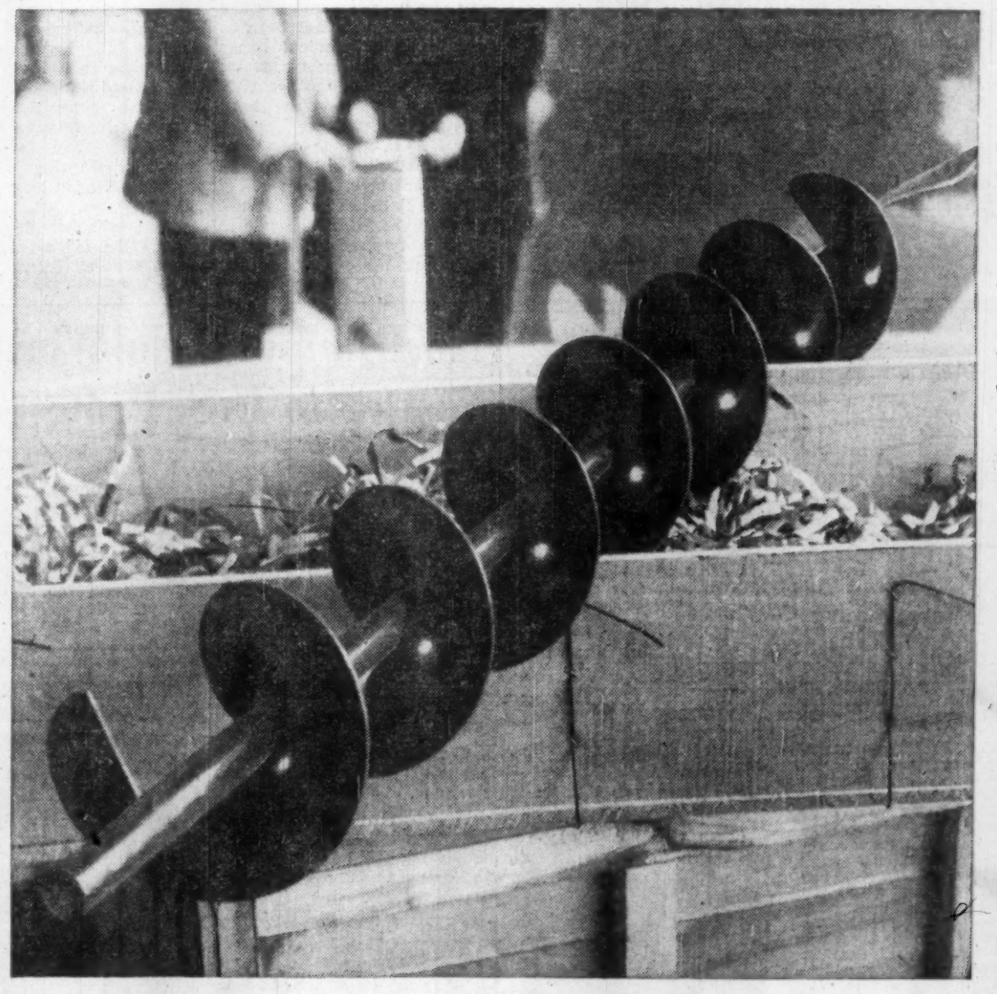
Fine Paper Output Rises

MONTREAL (Staff) — Continued firmness for fine paper sent Canadian output in July up 4.8% to 21,276 tons. Last July: 20,306.

Shipments were up 6.8% to 19,982 tons. Canadian consumers took 18,553 tons, up 4.6% and exports 1,429, up 47.5%.

For year-to-date, production is down 1.3% to 150,541 tons and shipments are off 1.3% to 149,100 tons.



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Cockshutt Farm Equipment Ltd. of Brantford, Ontario, believe in retaining the good will of their many farmer customers. They know that when the auger on a combine must be replaced, it's a pretty important thing, for delay may be costly to the farmer. So, for swift shipment direct to farmers—and for shipment of short-supply parts to their Regina warehouse—Cockshutt rely upon Air Express.

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Rising Banks' Money Supply Is Going Into Bonds, Bills

Latest banking statistics show that the financial needs and policies of the Federal Government continue to dominate the Canadian banking scene:

● **Yields of such short-term securities as government treasury bills reversed** their 11-month-long downtrend during July and have been rising steadily since. Yields on medium-term government bonds have also firmed and risen since July.

All interest rates have been affected by the relatively high yield on the new Canada Conversion Loan bonds, first offered in July (**FP**, July 19) and a sharply falling U.S. bond market has also pushed yields higher.

● **Holdings of federal government bonds** in chartered bank portfolios are growing sharply and are the largest single factor behind the recent increase in total bank assets.

● **Helping to provide cash** for the government-encouraged housing boom, the chartered banks have expanded mortgage loans substantially to finance National Housing Act building.

With the monetary climate set by new government borrowings and by the refinancing of a major portion of federal debt, yields on treasury bills and most shorter maturities have risen sharply and the yield on long-terms has climbed to a new plateau.

Here are examples:

▸ Treasury bill yields, after hitting a high of 4.08% in August of last year, declined to a low of 0.87% at the end of July and by Sept. 11 had climbed back up to 1.94%.

▸ Short-term bonds such as the government's 3% Refunding Loan due Dec. 15, 1960, sold to yield 2.77% at the middle of July; now sell to yield just under 3%.

▸ Medium-term 3¼% Canada bonds due Oct 1, 1979 sold to yield 3.80% at mid-June, now yield 4.09%.

▸ Long-term 3¾ Canada bond due March 15, 1998 sold to yield just over 4% for most of June and July, but currently yields 4¼%.

CONDITION OF CHARTERED BANKS IN CANADA

ASSETS

Immediately Available Liquid Assets

(In Thousands of Dollars)

	July 31 1958	June 1958	Change	July 1957	Change
Canadian coin	22,639	20,862	+1,777	21,111	+1,528
Gold & coin abroad	1,818	1,705	+113	1,672	+146
Bk. of Can. notes & dep.	907,540	874,350	+33,190	795,266	+112,274
Foreign currency	45,090	44,784	+306	42,024	+3,066
Dep. oth. bks. in Can. curr.	3,612	3,911	—299	5,377	—1,765
Foreign banks	355,276	366,202	—10,926	325,532	+29,744
Cheques, oth. items in tr	773,745	1,059,431	—285,686	794,728	—20,983
Govt. of Can. treas. bills	914,219	881,740	+32,479	794,400	+119,819
Government Securities:					
Dom. short-term	877,676	709,803	+167,873	452,264	+425,412
Dom. long-term	1,974,250	1,735,958	+238,292	1,252,296	+721,954
Provincial	359,967	351,345	+8,422	275,345	+84,622
Municipal secs.	184,391	182,565	+1,826	166,987	+17,404
Other secs.	534,201	523,602	+10,599	510,001	+24,200
Secs. oth. than Canadian	546,582	495,742	+50,840	402,157	+144,425
Mortgages	682,827	641,480	+21,207	508,738	+153,949
Can. call & short loans	209,307	229,119	—19,812	245,629	—36,322
Call & short loans abroad in nonCan. currency	644,227	710,695	—66,468	515,264	+128,963
Provincial loans	14,733	13,528	+1,205	23,001	—8,268
Municipal loans	219,333	201,403	+17,930	190,211	+29,122
Current loans*	4,901,646	4,815,249	+86,397	5,149,783	—248,137
Other loans abroad in nonCanadian currency	603,509	615,197	—11,688	355,756	+247,753
Noncurrent loans	1,364	1,370	—6	1,499	—135
Premises	167,901	166,685	+1,216	152,238	+15,663
Loans to corporations	40,090	39,046	+1,044	36,934	+3,156
Letters of credit	203,777	203,795	—18	256,054	—52,277
Other assets	6,203	6,113	+90	9,462	—3,259
Total assets	15,175,803	14,886,690	+288,913	13,283,729	+1,892,074
LIABILITIES					
Canadian currency:					
Dep. by Fed. Govt.	441,826	159,792	+282,034	147,552	+294,274
Dep. by Prov. Govt.	155,191	167,187	—12,066	154,406	+685
Dep. by other bks.	140,503	126,990	+13,513	95,710	+44,793
Foreign currency:					
Dep. by other bks.	406,923	442,993	—36,070	273,863	+132,940
Personal savings	6,697,334	6,600,639	+96,695	6,242,390	+454,944
Notice deposits	576,654	549,788	+26,866	423,512	+153,072
Demand deposits	2,964,455	4,109,266	—144,811	3,581,144	—383,341
Oth. deposits in for. curr.	1,766,728	1,711,129	+55,609	1,370,097	+396,641
Adv. from Bk. of Can.					
Letters of credit	203,777	203,795	—18	256,054	—52,277
Other liabilities	50,208	45,928	+4,280	38,696	+11,512
Capital paid-up	222,016	221,941	+75	210,580	+11,436
Rest accounts	539,270	539,064	+206	483,761	+55,509
Undivided profits	8,903	6,968	+1,935	5,774	+3,194
Total liabilities	15,175,803	14,886,890	+288,913	13,283,729	+1,892,074

Somewhat similar trends have been at work in the U.S. The interest rates on both short and long-term government bonds have risen sharply during the past several weeks.

Over the four weeks from early August to early September, the U.S. treasury bill rate doubled to reach 2.46%.

With a somewhat disorganized market for government bonds in the U.S. — due largely to frequent refinancings, the prospect of continued refinancing and heavy new borrowing to meet the deficit — prices have declined and yields risen fairly steadily over the summer months.

For example: The 2½% federal bonds due Dec. 15, 1967-72 sold to yield 2.85% at the beginning of June, are currently yielding around 3.47%. The long-term 3% U.S. government due Feb. 15, 1995 brought a yield of 3.11% when purchased in early June; by mid-September the yield was up to 3.54%.

While corporate bond yields have also been increasing in the U.S., the rise has not been as steep as in government bonds and the market for corporates — unlike that for U.S. government securities — has been somewhat stronger.

In the U.S., one result of these trends toward more expensive borrowing: Most of the 12 banks in the Federal Reserve System have raised the rate at which they lend to member banks from 1¾% to 2%; several key city banks have boosted their prime commercial rates from 3½% to 4%.

Return on U.S. 91-day treasury bills is now running well above that on 90-day Canadian bills — in sharp contrast to the relationship since late 1956 when Canadian bills were consistently higher.

And with yields on short- and medium-term U.S. government securities rising two-to-three times faster than Canadian yields, the traditional average spread between the two is narrowing. Unless the market for U.S. government bonds becomes steadier over coming months, some observers are wondering if Canadian bonds might even sell to yield less than U.S. bonds.

One reason for the declining yield gap between Canada and U.S. bonds may be the falling premium on the Canadian dollar which makes all Canadian bonds more attractive to U.S. investors.

If this induces a flow of money into Canadian bonds, it will also help slow the decline in value of the Canadian dollar vis-a-vis the U.S. dollar, and make our bonds less attractive again.

Another reason why Canadian bonds are unlikely to imitate treasury bills by selling at a lower yield than U.S. government securities: Short-term U.S. rates generally fluctuate more widely, relative to long-term rates, than they do in Canada, producing abnormal price situations at least temporarily.

This, say bankers, is primarily because the market operations of the Federal Reserve System in the U.S. are pretty well restricted in practice to treasury bills while, in Canada, the Bank of Canada operates over the full range of government securities.

The accompanying table which summarizes the latest complete detail on the condition of the chartered banks, shows how rapidly the banks have expanded their portfolios of government securities over the past year.

● **Treasury bill holdings** at the end of July totaled $914 million for a 15% increase over the year before. Later figures show that these holdings had risen to over $1 billion by Sept. 12.

● **Bank portfolios** of other short-term government securities topped $877 million or not far from double the total of a year earlier.

● **Bank holdings** of longer-term securities amounted to just under $2 billion or 57% more than a year before.

Later figures show that total bond holdings have risen again over the past six weeks. The banks have acquired a major portion of each new government bond issue over the past year and in July took up, with the Bank of Canada, a special five-month $400 million issue which is, in effect, a short-term loan to the federal government.

● **Mortgage loans outstanding** on the books of the banks reached $662.6 million at the end of July, up 3.3% from the month before and 30% from a year earlier. By mid-September, the total outstanding was up to $688 million.

Bond holdings could be expanded relatively easily by the banks in the absence of mounting demand from business and other borrowers. Current loans, for example, totaled $4.9 billion at the end of July, down 4.8% from a year earlier. Personal savings over the same 12 months advanced by $454.9 million or 7.3%.

Call and short loans and loans to provinces were also during July running below year-earlier totals. Loans to municipalities were slightly higher.

Loans made abroad, in non-Canadian currency were at the end of July substantially higher than a year before. Most of this was made in U.S. funds and some represented money raised in the U.S. by Canadian corporate borrowers which would eventually be brought into Canada.

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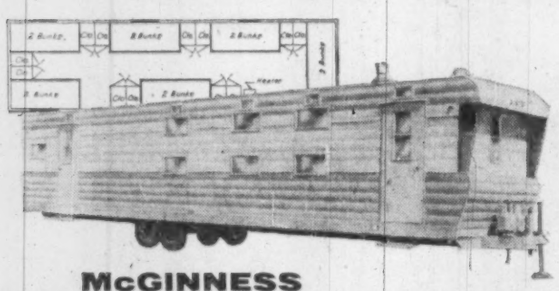

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'No Dumping, No Worries' Answer to U.S. Protests

MONTREAL (Staff) — "Look whose ox is being gored now."

That's the general reaction of the nation's textile makers to heated U.S. protests over Canada's new anti-dumping legislation.

While most of the U.S. indignation has centred around what may happen to fruit and vegetable exports to Canada (**FP**, Sept. 13), there's little doubt U.S. is also much concerned over the pending threat in the textile field.

Canadian textile men are carefully keeping out of the squabble.

They regard the anti-dumping legislation as a major, hard-fought victory and don't want to stir up any unnecessary antagonism.

Privately, however, they have a pat reply to any U.S. textile maker that feels uneasy:

"If you don't dump, don't worry, you won't be affected."

As far as textiles are concerned, Canadian millmen feel the intensity of U.S. protests over **anti-dumping legislation only tends to confirm the amount of dumping that has been going on.**

And, they add, it ill becomes the U.S. to throw rocks at Canada in textile tariff matters.

Only recently Japan instituted "voluntary" quotas on textile shipments to the U.S.

These quotas, Canadian millmen say, were obtained by the U.S. holding a "big stick" over Japanese producers' heads.

While Japan has also instituted "voluntary" quotas on shipments to Canada, on a per capital basis this country is expected to absorb many times the quantities shipped to the U.S.!

NEW EXTENSION

From Our Own Correspondent

HALIFAX — Construction of a men's residence at Dalhousie University costing over $1 million will begin this fall.

ANNOUNCEMENT

THE CRESCENT FINANCE CORPORATION LIMITED

H. S. TENNANT

R. W. Yantis, President of The Crescent Finance Corporation Limited, subsidiary of Delta Acceptance Corporation Limited, announces the appointment of Hawley S. Tennant as Vice-President and General Manager, at the Company's Head Office in London, Ontario.

Mr. Tennant is a native of London, Canada, and attended the University of Western Ontario.

Prior to joining The Crescent Finance Corporation Limited, Mr. Tennant had been in an executive capacity for twenty-two years with a major Canadian Consumer Finance Company.

$600,000,000

Government of Canada Bonds

The Bank of Canada is authorized by the Minister of Finance to receive subscriptions for a loan, to be issued for cash and offered in two maturities as follows:

9 Month
2½% BONDS
DUE 1st JULY, 1959
Non-callable to maturity
Interest payable 1st January and 1st July
The first three months' interest will be payable 1st January, 1959
ISSUE PRICE: 99.80%
Yielding about 2.77% to maturity

18 Month
2¾% BONDS
DUE 1st APRIL, 1960
Non-callable to maturity
Interest payable 1st April and 1st October
ISSUE PRICE: 99.70%
Yielding about 2.96% to maturity

Denominations:
$1,000, $5,000, $25,000, $100,000 and $1,000,000

Subscriptions may be made to Bank of Canada, Ottawa, through any investment dealer eligible to act as a primary distributor or through any bank in Canada. An official prospectus may be obtained from any Agency of the Bank of Canada.

The new 2½% Bonds due 1959 are an addition to the $200,000,000 of 2½% Bonds due 1st July, 1959 issued on 1st May, 1958.

The Minister of Finance reserves the right to accept or reject in whole or in part any subscription for either maturity or both.

The books of the Loan will open at 5 p.m. E.D.T. on 17th September, 1958 and will close in either maturity or both with or without notice at the discretion of the Minister of Finance.

OTTAWA, 16TH SEPTEMBER, 1958.

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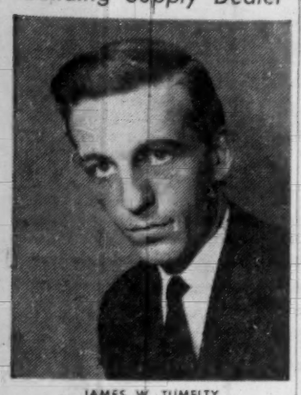

JAMES W. TUMELTY

Mr. H. Z. Palmer, Manager, Building Supply Dealer, Maclean-Hunter Publishing Co. Ltd., announces the appointment of Mr. James W. Tumelty to the advertising sales staff of the publication.

Mr. Tumelty was formerly with the Maclean-Hunter publication Hardware and Metal. He has had wide experience in publishing and advertising and studied retail merchandising at Ryerson Institute of Technology, Toronto.

ALMINIUM LTD. during August issued an additional 3,566 shares under company's stock option and purchase plans, bringing number of shares outstanding Aug. 31 to 30,277,990.

CLC and CCCL Working Better Out of Wedlock

By JACK McARTHUR

MONTREAL (Staff) — In some ways it is becoming immaterial whether there is a merger between Quebec's 95,000-member Canadian and Catholic Confederation of Labor and the big Canadian Labor Congress (1.5 million members).

In recent months, with no official merger, the two labor federations have been co-operating more closely.

There has been a reduction in the number of name-calling fights between CLC and CCCL unions.

Two possible reasons:

- **Many CLC unions are in disfavor with the Quebec government.**

Therefore they are gaining influence in Quebec by solidifying friendships with CCCL unions in their fields.

CLC Steelworkers Union is a good example.

Steelworkers no doubt hopes for eventual merger with CCCL mining and smelting locals.

- **And CCCL is increasingly aware as it meets in Montreal this week** that, in an all-out fight, the resources of CLC could slowly wear away CCCL support among workers in many Quebec industries.

CCCL has tended to lose its strong French-Canadian Roman Catholic personality, move closer in outlook and operation to unions elsewhere in Canada.

Thus the official fact of merger would have little bearing on this particular situation.

Nor would it do much to settle disputes between CCCL and CLC groups.

Theoretically CLC has the power to decide jurisdictional matters.

But, in practice, it has favored a wait-and-see attitude, hoping that jurisdictional disputes straighten themselves out.

It certainly would do the same with disputes between CLC and CCCL unions. Merger can change this little.

Halifax Collects 80% of City Taxes

From Our Own Correspondent

HALIFAX — Over 80% of Halifax city taxes for 1958 had been collected by Aug. 31. This reduces the outstanding estimated revenue to $2,548,975.

Tax payments were above average.

Collections in the first eight months totaled $9,238,815 from taxes and other sources of revenue.

Poll and other taxes outstanding total $1,530,049.

Office Staffs Sign Contract Much Easier?

Office staffs much easier to bargain with than industrial plant workers?

British Columbia — a tough labor bargaining area — boasts this shining example:

B. C. Power Commission has just signed a two-year working agreement with more than 500 non-professional office, field and survey employees, excepting those in the electrical and building trades.

The agreement became effective Sept. 1, 1958. After two years a 60-day cancellation clause may be invoked on the anniversary date by either party.

A feature of the argument is a five-step procedure for adjustment of difficulties.

It provides for no stoppage of work either by strike or lockout, and failing adjustment by this method, provides for arbitration which shall be binding on both parties.

The agreement also provides for compulsory payment of dues under the widely used "Rand formula" which requires all employees covered to pay the equivalent of dues to the association whether or not they choose to become members.

Ex-CNS Ships to Decide Banks' Labor Influence

MONTREAL (Staff) — The chips are down for Hal Banks.

The next two weeks probably will prove the extent of the influence of Seafarers' International Union's tough Canadian boss with transportation labor in North America.

Showdown could come in Montreal early in October when the first of the former **Canadian National Steamships'** freighters is scheduled to sail on her maiden southbound voyage for the new owners, **Browning Cuba Lines.**

Legal fireworks may be involved, **FP** understands.

Since paying $2.8 million for the eight SIU-strikebound ships, Browning has managed to get one vessel out of Halifax and as far as a Baltimore drydock.

This week as the company prepared to get its new Canada-Caribbean service under way, Seafarers' Banks was working hard to prevent the vessels from being manned, moved or handled.

To date he appears to have achieved more success abroad than in Canada.

- Capitalizing on existing labor trouble in the **Maryland Shipbuilding Drydock Co.** where the Ciudad de la Habana (ex-Canadian Challenger) is being repaired, Banks has placed pickets around the plant.

Production workers walked off the job, but apparently over grievances of their own.

At midweek, negotiations over resumption of work were in progress.

- In Cuba the SIU apparently has been able to put considerable pressure on the Cuban Confederation of Workers.

Some 40 Cuban seamen who had been working on the Ciudad de Detroit (ex-Canadian Cruiser) in Halifax suddenly walked off the vessel late last week and headed for Boston by plane, apparently on orders from Cuba.

Negotiations between the ships' owners and the Cuban union are reportedly in progress.

If the line overcomes these difficulties, next crisis likely will be in Montreal early in October.

The big question is whether Montreal Longshoremen will handle the former CNS ships.

Union officials say they have reached no decision yet.

Speculation in some shipping circles is that the Longshoremen will handle the ships provided no picket line is set up.

If the SIU sets up a picket line — as is expected — there is also a strong possibility the ships' owners would then seek an injunction to prevent picketing.

Browning Lines has announced starting Oct. 3 from Montreal it will run a freight and passenger service to Bermuda, Nassau, Santiago de Cuba and Kingston, Jamaica.

This will put the line in direct competition with Canada's shipping giant, Saguenay Shipping Ltd.

N.B. Labor Says Freight Rates Stifle Industry

From Our Own Correspondent

SAINT JOHN — New Brunswick Federation of Labor's annual convention produced these resolution highlights:

- **A condemnation of freight rate structures** as "stifling" Atlantic industry.
- **Federal government was urged to "revive"** a Canadian merchant marine through construction and operation subsidies.
- **Tighter restrictions on issuance** of injunctions in provincial labor disputes were proposed.
- **Rigid enforcement of the N.B. Highway Safety Act,** particularly laws dealing with drunken and impaired drivers.
- **A call for universal and compulsory** automobile insurance to be administered by the province on a non-profit basis.
- **Inauguration of periodic** medical checks on auto drivers.

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MODERATION
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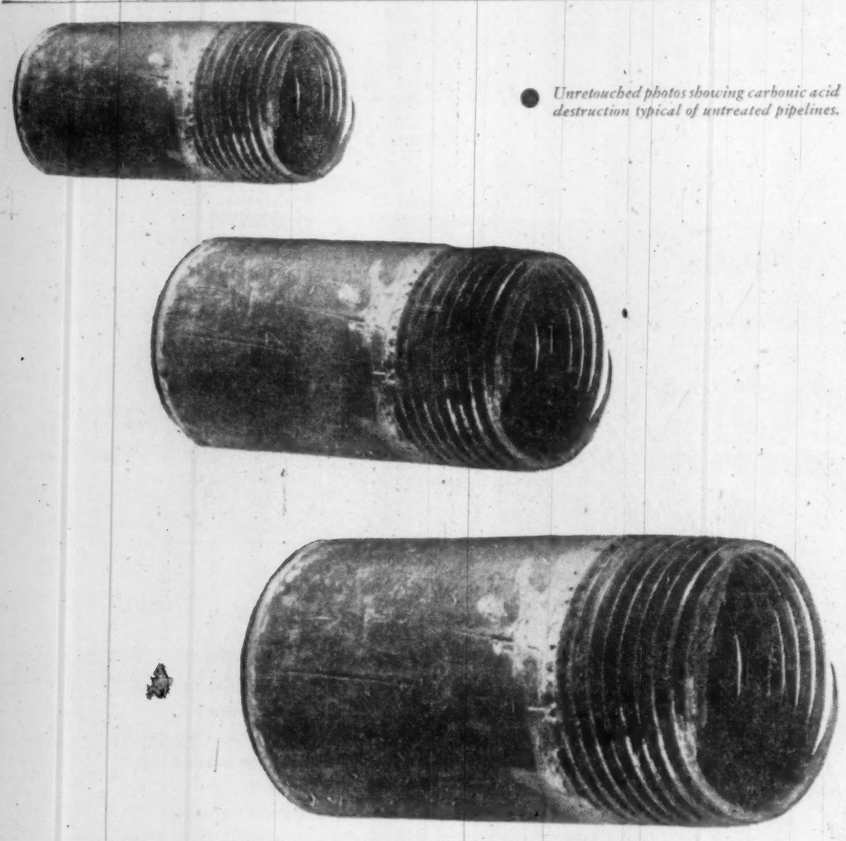

● *Unretouched photos showing carbonic acid destruction typical of untreated pipelines.*

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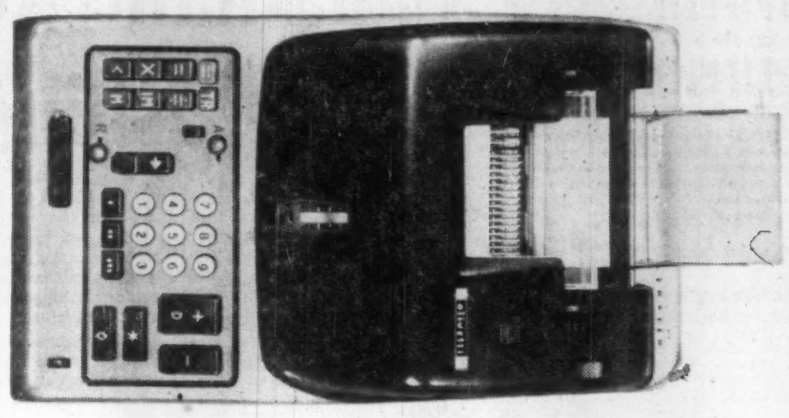

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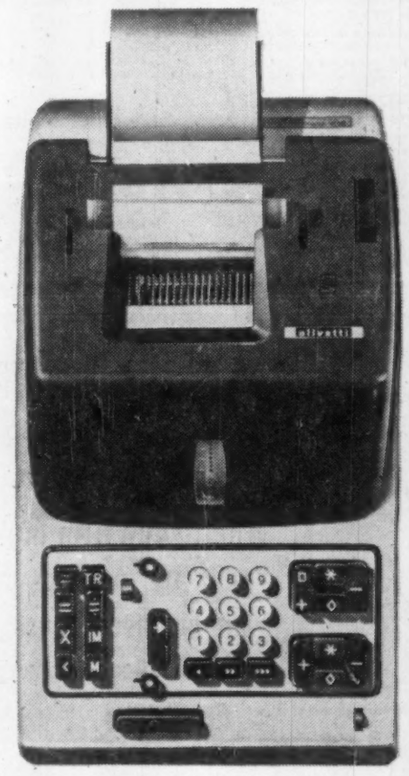

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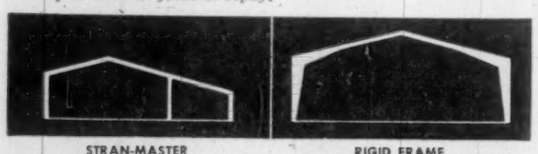

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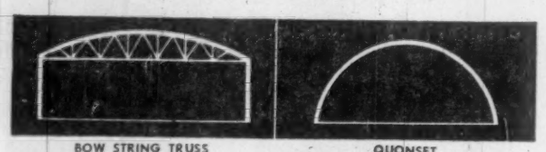

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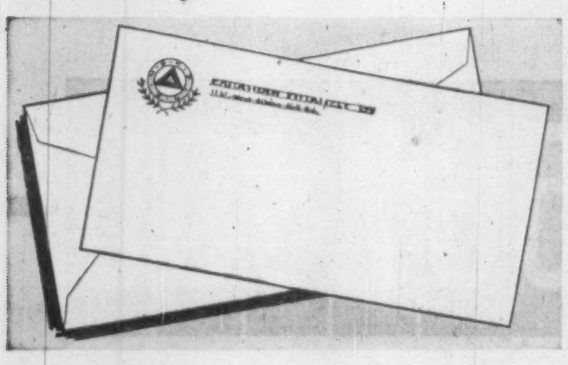

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Canadian Accountants Get Washington Tips

Pointers to accountants making their way for the first time through the Washington maze were offered this week by a senior official of the Securities & Exchange Commission.

Andrew Barr, SEC chief accountant, offered his advice at the 56th annual conference of the Canadian Institute of Chartered Accountants at Montreal.

Canadian accountants' contact with the SEC comes in certifying financial statements included in registration statements, annual reports, etc.

Barr emphasized these points:

Independence: Primary importance goes to establishing the accountant's independence before the SEC.

He must offer evidence that he is registered and in good standing with a recognized society, and that he is not interested financially in the company concerned.

Initial audit: Financial statements accompanying an initial filing must be certified for three years, or for the life of the company and predecessors if less.

"The alert accountant should anticipate, if possible, the needs of his client for three to five years ahead and urge that audits of a proper character be authorized.

"The principal problems usually arise in the observation of inventory taking and confirmation of receivables."

Mr. Barr suggested that accountants write to SEC, explaining the nature of the filing they contemplate.

The needed instructions and regulations would then be forwarded by SEC.

The SEC staff, he added, is always prepared to answer questions about filing procedure, by telephone or letter.

Ambiguous opinions: Typical of the clouded phrases to be avoided in notes to financial statements is "subject to."

The wording should make clear whether or not the auditor takes exception to some feature of the financial statements.

If he does take exception, it should be clearly stated.

Notes to statements: These are understood to be management's statements, and therefore should not be written from the point of view of the auditor.

They should not refer to management, or explain auditing procedures.

Projections: General policy of SEC is to reject projections of income and other statements relating to future revenues.

Non-recurring items: It seems to be Canadian practice to enter non-recurring gains or losses directly in earned surplus, or even to capital account, said Mr. Barr.

The SEC requires that such items be reported through the income statement.

Sales: SEC requires that sales and cost of sales be reported in earnings statements.

"Such disclosure is generally accepted practice in the U.S. today," the chief accountant said.

Depletion, development: "Perhaps the greatest difficulty we have is with depletion and amortization of development expenses.

"We prefer that such charges be included among operating expenses, rather than shown separately at the foot of the income statement.

"The rate at which such expenditures are written off is frequently subject to question."

Cash Forecast Planners' Tool

The cash forecast — a financial statement dated in the future—is a company's chief instrument in attaining a healthy capital structure, Vice-President Trevor F. Moore of **Imperial Oil Ltd.** told the Canadian Institute of Chartered Accountants meeting in Montreal this week.

The cash forecast is the outcome of a number of other forecasts — of sales, operating and production levels.

It begins with an operating program, compiled annually and revised as often as necessary, in which the company coordinates all available information and advice on estimates of sales, supply and market conditions.

These forecasts indicate the probable future course of operating receipts and expenditures, and the size and nature of necessary investments.

"A properly drawn up cash forecast is sufficiently complete to permit one to project future earnings statements, future balance sheets," said Mr. Moore.

"It is also, of course, possible from these to draw up future statements of the source and disposition of funds. And the data from which the cash position is derived would naturally be broad enough to forecast the physical condition of the company, indicating its future capacity, age of the varying producing units, etc."

Depending upon the industry, the cash position should be forecast for either a single date in the year, or on a month-to-month basis.

Should Set Goal

Another speaker, President J. A. Desrochers of **Dow Brewery Ltd.**, described long-range planning as "a challenge to management." An officer, he said, should set a company's basic objectives or long-term goals which will be much the same in principle from company to company.

Mr. Desrochers suggested that they cover these points:

- **Volume** of business desired five or 10 years hence.
- **Share** of industry expected to reach.
- **Type** of company organization required.
- **Expected profit** and return on investment.
- **Capital** required to do the job.

Once these objectives are defined, the accountant must make his contribution by preparing these pro forma financial statements to be used in formulating a master long-range plan:

—**Pro forma profit and loss statements**, by years and by months, by territories and by products.

—**Pro forma balance sheets** for each of the five years.

—**Working capital** comparisons, by years.

—**Source and application** of funds, by years.

—**Return on capital invested**, by years.

Montreal Man Ranks First

Norman P. LeBlanc of Montreal was presented with the Governor-General's Gold Medal, as top student in Canada on the Canadian Institute of Chartered Accountants' final examinations this year.

Second highest in the same final examination, John P. Alpaugh of Hamilton, won the CICA Silver Medal.

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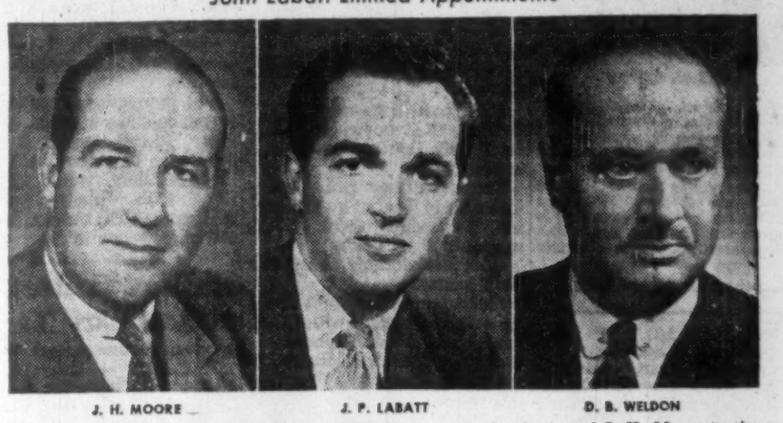
ANNOUNCEMENT

John Labatt Limited Appointments



J. H. MOORE — J. P. LABATT — D. B. WELDON

The Board of Directors of John Labatt Limited announces the election of J. H. Moore to the presidency. John P. Labatt becomes Vice-President and Col. Douglas B. Weldon, M.C. joins the board as a director. Mr. Moore joined Labatt's in 1953 and in January 1957 was elected to the Board of Directors and became Executive Vice-President and Managing Director. Mr. Labatt is a fourth generation member of the family which founded the Company. He was elected a director in 1956 and continues as General Manager of the Manitoba Division. Mr. Weldon is a well-known London businessman being Chairman of the Board of Midland Securities Corporation and London and Midland General Insurance Company, as well as a director of several prominent Canadian Corporations.

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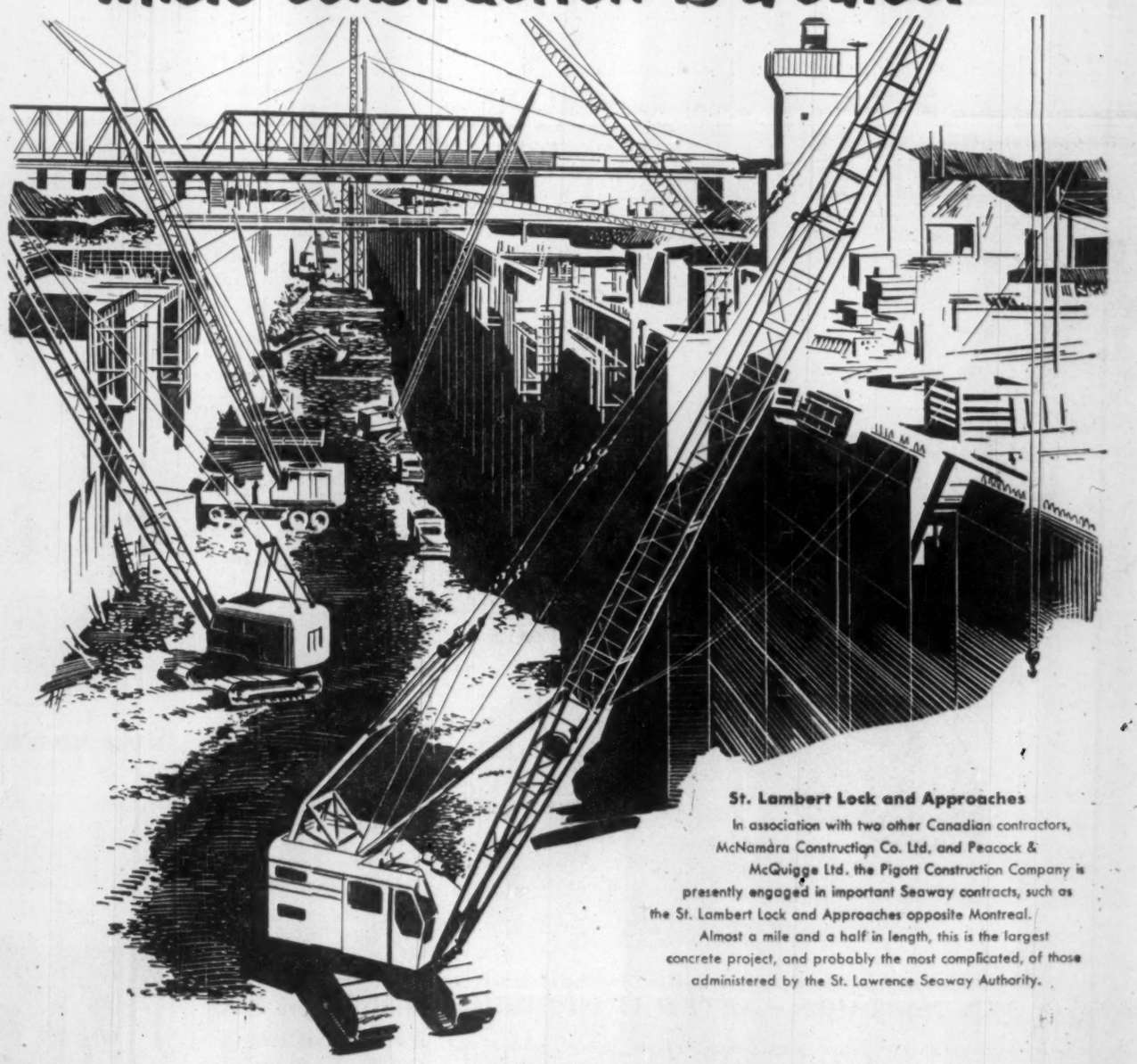

St. Lambert Lock and Approaches

In association with two other Canadian contractors, McNamara Construction Co. Ltd. and Peacock & McQuigge Ltd. the Pigott Construction Company is presently engaged in important Seaway contracts, such as the St. Lambert Lock and Approaches opposite Montreal. Almost a mile and a half in length, this is the largest concrete project, and probably the most complicated, of those administered by the St. Lawrence Seaway Authority.

Trained supervisors . . . extensive indirect supporting facilities . . . powerful, up-to-date plants and machines with attendant yards and shops . . . these are some of the reasons for the success of the Pigott Construction Company.

The impressive list of contracts awarded to the Pigott Construction Company is tangible testimony of the regard in which this Company is held, and of its ability to instantly undertake and carry through a project . . . or several giant projects concurrently . . . to on-schedule completion. Smoothly integrated progress is assured by teamwork of the highest order . . . for the men of Pigott, from apprentice to president, have made construction a career . . . and every Pigott project bears the hallmark of co-ordinated effort at every level.

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P-58-1

Business Slowdown Cuts Our Debt With Other Lands

By LESLIE WILSON

OTTAWA (Staff)—The business recession has cut back sharply the rate at which we're going into debt with other countries.

The first half of 1957 brought a balance of payments deficit of $955 million; in the first half of the year before, the deficit was almost $800 million.

But a greatly reduced deficit on merchandise imports cut our total deficit in the first half of 1958 to $600 million.

This could mean a deficit of slightly over $1 billion for the year. The deficit figure for 1957 is now put at $1.4 billion, with the second-half figure at $445 million. This year the drop-off between the two half years is likely to be as great.

The deficit on merchandise imports for the first half of 1958 was only $145 million — between one third and one-quarter of the $529 million deficit from the same source in the corresponding period of 1957.

It was the deficit on non-recurring transactions—$455 million—which made up nearly three quarters of the total. A year ago, the non-merchandise deficit was only $426 million and it made up less than half the total.

The greater part of the reduction in the merchandise deficit was due to reduced imports from the U. S. (Although reductions in imports from the U. S. cover the whole range of capital and consumer goods, the reductions are largest in heavy capital goods of types which might be expected to fall off during a recession, **FP**, July 19).

This half year, our deficit on merchandise trade with the U. S. was only $399 million. It was offset by credits on merchandise account of $102 million with the U. K. and $152 million with all other countries.

Last year when we were bringing in capital and consumer goods from the U. S. hand over fist, we ended the first half year with a $705 million deficit on merchandise account, offset by credits of $85 million with the U. K. and $91 million with other countries.

The biggest part of the 1958 half-year deficit on non-merchandise account comes from three items:

- **Interest and dividends**, $193 million (figure for the first half of last year was $209 million).
- **Travel expenditures**, $138 million ($135 million).
- **Business services**, insurance and related services, personal and institutional remittances, $161 million ($135 million).

Payments for interest and dividends, and, to some extent, payments for business services etc., reflect the growing burden of foreign ownership.

In 1955, 1956 and 1957, we paid out in interest and dividends, $323 million, $383 million and $444 million respectively more than we received from this source.

While dividend and interest payments for the first two quarters this year were lower than for the corresponding period last year, it's not expected that this trend will continue into the second two quarters.

Public dividends didn't drop in the first half, but dividend transfers by U. S. subsidiaries to their parent companies fell considerably. There are indications that, with the business pickup, these transfers in the second two quarters will be greater than in the corresponding period of 1957.

The high balance for foreign travel reflects the continuing gap between expenditures by Canadian tourists in the U. S. and those of U. S. tourists in Canada.

The effects of the business recession showed in capital movements as well as in current.

The net inflow of capital for direct investment in foreign-controlled enterprises was $175 million for the first half of 1958, against $254 million for the first six months of 1957. The 1958 figure is the smallest since 1952.

Comparing the first half of each year, the decline was greater for investments from overseas countries than from the U. S. In 1958, four fifths of the inflow came from the U.S.; in 1957, about three quarters came from that country.

Investments in the petroleum industry fell in 1958 to about three quarters of their level the year before and investments in manufacturing and merchandising dropped as well.

Our sales abroad of new issues of Canadian securities in the first six months of 1958 — $461 million — were $99 million lower than in the first half of the preceding year.

ANNOUNCEMENT

MR. RONALD A. OWEN

Mr. H. W. Mulholland, President of O'Keefe Brewing Company (Manitoba) Limited, has pleasure in announcing that, effective September first, Mr. Ronald A. Owen has been appointed Vice-President and General Manager. Mr. Owen succeeds Mr. Andy Foulds, who is taking over new duties with a related company.

Mr. Owen served with the Canadian Infantry Corps during World War II and as a lieutenant with the 27th Brigade in Europe. Later, he served as a captain in the militia.

Mr. Owen was formerly sales manager of the company, and has for the past nine years been connected with the Canadian Brewing industry.

He is active in Kiwanis, and is a director of the Sales and Advertising Club of Winnipeg, as well as being a member of the United Services Institute of Manitoba.

W. A. MONTGOMERY

has been re-elected president of the Machinery & Equipment Manufacturers Association. Mr. Montgomery is executive vice-president of John Inglis Co.

Next Move in 'Sugar War': Pricing, Freight Policies

Future of Maritime refinery and new Ontario plant hinges on freight rates . . .

MONTREAL (Staff) — Canada's big sugar hassle isn't over yet.

It is still not entirely clear what pricing and freight rate policies will be followed in shipment of British West Indies sugar to Canada.

However the first step toward clarity has been taken. BWI Sugar Association has announced that it will not insist again on selling raw sugar on a delivered basis.

Instead, Canadian buyers will be able to buy sugar FAS — free along side — and ship to Canada in vessels of their choosing.

Involved in a situation which has produced a flurry of charges and counter-charges (**FP**, June 7, 14 and 21; July 5 and 12; Aug. 9):

- The future of the Saint John, N.B., refinery of **Acadia-Atlantic Sugar Refineries.** Acadia-Atlantic brought the fight into the open by suggesting it might have to move most of its Saint John operations to central Canada, to meet heightened competition.
- The possibility of Acadia-Atlantic building a $15 million refinery in Ontario, based on shipments of raw sugar through the St. Lawrence Seaway.

The two are linked. Decision to build in Ontario would be sure indication of a downgrading of the Saint John operation.

Acadia-Atlantic said bluntly that BWI Sugar Association sales policy discriminated against Maritime production in favor of Montreal by incorporating freight rates of 50c per 100 lb. to Montreal and 46c to Saint John, which is much closer to BWI.

The charges of unfair discrimination in selling and freight policy were stoutly denied.

A Sugar Association spokesman said the freight rates represented "the facts of shipping life."

Much of the argument hinged around the inability of Acadia-Atlantic to get BWI sugar on an FAS basis.

Thus the change to FAS seems to be a step forward.

The Sugar Association said some of the factors which have prevented FAS selling have disappeared. There was no longer a need to protect sugar shipments via **Canadian National Steamships**, since the CNS fleet had been sold. Success of experiments in bulk shipping also changed the picture.

But all this doesn't mean that Acadia-Atlantic's Saint John refinery has been saved; or that the company won't build in Ontario.

An Acadia-Atlantic spokesman told **FP** that much would depend upon:

- Whether future BWI price policy takes full advantage of Canada's big British preferential tariff or moves closer to world prices. (Atlantic Provinces spokesmen have been calling for a drop in the tariff on raw sugar imports from non-Commonwealth nations.)
- Whether future shipments to Montreal refiners will still be made on the "old subsidized basis."

(Acadia-Atlantic has argued that the freight rate structure has, in effect, subsidized Montreal producers.)

It comes down to whether a tidewater-located east coast refiner can overcome freight rate handicaps sufficiently to retain a sizeable market in central Canada; and whether its disadvantages are being increased unfairly through public and private policies.

The answers aren't yet visible.

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Edison's demonstration of its Televoice system proved conclusively to Mintex that this was the system for them. Its advantages—

—for less than two-thirds of the cost of replacing four individual machines, Mintex Federal was able to have *six* Televoice stations.

—since the stations connect directly to a machine near the stenographer, there is no time lost transporting cylinders.

—discs used on the Edison machine require no storage space, as do bulky wax cylinders.

—as a result of Edison's instructions in proper dictating technique, which encourage dictaters to handle correspondence needs as they occur, the work load was spread evenly over a day. The stenographer was able to work at an even pace, needed no assistance and was able to turn out better work.

Edison proved to Mintex that an Edison Televoice system is as economical and effective for a small amount of dictation as it is for a large amount. And Edison can prove that Televoice is an economical and effective system for *your* firm. Just write Thomas A. Edison of Canada, Limited, 32 Front St. West, Toronto, Ont.

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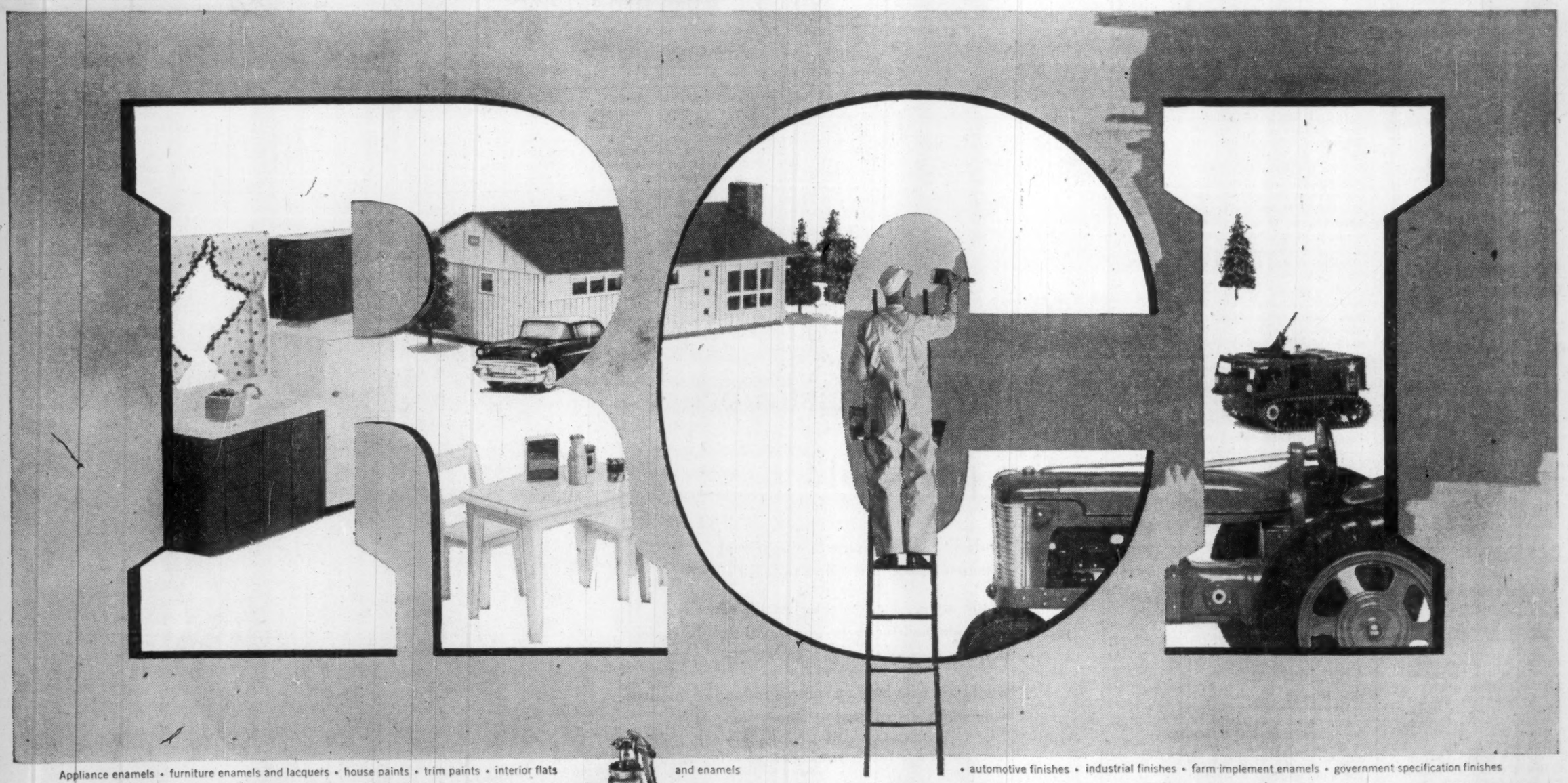

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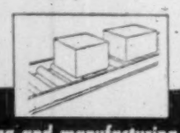

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Letter from London

Macmillan is determined to push Britain's trade with the world...

By ADELPHI

I DO NOT KNOW how the world looks to you in Canada but from the vantage post of London it is a strange picture that confronts us.

There are so many imponderables, so many opportunities and so many obstacles that the statesmen of the world move like holiday makers at Hampton Court who get into the maze without any trouble but cannot find the way out.

That unglamorous but hard - working statesman, John Foster Dulles, has declared his belief that there will be no war over Formosa but it is difficult to hear him above the sound of the guns at Quemoy. Nevertheless Mr. Dulles is probably right.

He obviously is of the same mind as a shrewd political observer who assured me the other day that we shall never see real peace or real war again.

There are so many cross currents in the Formosa situation that it is not easy to make any comment with assurance. But the feeling in Whitehall is that China will be admitted to U. N. if any way can be found to save Chiang-Kai-Shek's face.

If this comes about Formosa would almost inevitably become a U. N. protectorate.

Going all out to boost trade

However, as far as the U. K. is concerned, we are more interested in the great trade push which may develop into something as big as that inspired U. S. venture known as Marshall Aid.

Macmillan is determined to increase world trade.

The philosophy behind his purpose is that there is no such thing as over-production but only under-consumption.

Therefore let us increase the purchasing power of the world and production will rise to meet it.

In fact it is so simple that one wonders why mankind has taken so long to discover it.

I do not want to go over old ground but those jolly big-hearted fellows who run the British banks are almost pestering us to allow them to help in purchasing cars, hats or anything we can think of — and all with the bank's money.

When Mr. Macmillan went to Washington in June he had long talks with President Eisenhower on how to expand world trade. Mac's philosophy is based on the simple conclusion that underdeveloped territories and underpaid workers are no good to any one.

The more money that is earned, the more money will be spent. It is as simple as that.

It would be quite wrong to picture Macmillan as a lone prophet or a solitary visionary. He himself is well aware of the powerful personality of Canada's prime minister who is now known even to the British as "Dief."

Mr. Diefenbaker's determination to increase Commonwealth and Imperial trade has had an undoubted influence on Mac the Knife.

More funds for the World Bank

In such a state of mind as this it is understandable that in Britain we are looking foward to the meetings of the International Monetary Fund and the World Bank which will shortly take place in New Delhi.

It is certain that the U. S. will ask for increased contributions from the 70 members to provide the proposed new agency with funds.

It must be remembered, however, that good intentions d not of themselves abolish self-interest.

Macmillan is in the best sense a world citizen but that does not alter the basic fact that he is chosen by the British electorate for the primary purpose of looking after British interests.

Therefore, it can be taken for granted that when he was last in Washington he urged the President to create a stabilizing loan to underwrite sterling and thus put an end to recurring crises of the pound.

In British political circles it is thought that Macmillan will now be willing to change his front and give up the idea of a stabilizing loan.

Actually it is almost a certainty that he will go along with the Eisenhower plan in the belief that the sterling area would be more likely to get some stabilizing support from that agency than from the U. S. Congress.

But the democratic imperialism of Macmillan is not content even with that prospect.

Britain is investing at the present moment more than £200 million a year in Commonwealth development.

Our canny Scottish Prime Minister thinks that less-favored nations might be attracted to invest their surplus funds within the territorial area of that same British Commonwealth.

At any rate Eisenhower and Macmillan seem to be in spiritual accord, but the test will come when they try to marry the spiritual to the material.

General election off for this year

But how can Macmillan concentrate his mind on these complicated issues if there is to be an early general election?

All the prophets are confident that an election will be sprung in November. The people have never had it so good, what with the bank managers giving money away and employment at a high level.

With a mixture of diffidence and assurance I predict that there will be no general election this year.

But why not?

Simply because everything at the moment is running in the government's favor. Therefore Macmillan will almost certainly declare that he will not take advantage of what may be only a trend.

Is that just showmanship or is it integrity?

Perhaps it is both although I sincerely believe that the Prime Minister wants to be judged by the government's actual record rather than by a wave of popularity that might well exhaust itself.

Critics slam Bea's play

Now, at a somewhat lower level of importance, I must put on record that the one-time Torontonian, Beatrice Lillie, seems to have come a cropper in a new comedy called "Auntie Mame."

The Times critic in reviewing the piece writes: "What gives the comedy a sentimental overtone is that the irresponsible creature loves the adopted boy after her fashion and regards him with growing tenderness as her own son. It is this overtone that may account for the play's enormous success in America. In the present production the overtone is heard only faintly, and this is hardly surprising since the Aunt is being played by Miss Beatrice Lillie."

It is the old, old story — the clown who wants to play Hamlet or, in this case, the clown who wants to play Ophelia. The critics were as kind as conscience would permit but the overtone was there.

As gently as possible they said the play was a stinkeroo.

The Churchills' golden wedding

All last week presents were piling up at Sir Winston Churchill's holiday villa on the Riviera. Actually the villa belongs to Lord Beaverbrook who has now done his usual autumn migration to Fredericton, N.B.

The occasion, of course, was the 50th wedding anniversary of Sir Winston and Lady Churchill.

What a story could be written about those 50 years!

How many times Churchill must have told his wife that he would conquer the world, and how many times he must have said to her that there was no place for him.

Truly he has known triumph and disaster, achievement and frustration.

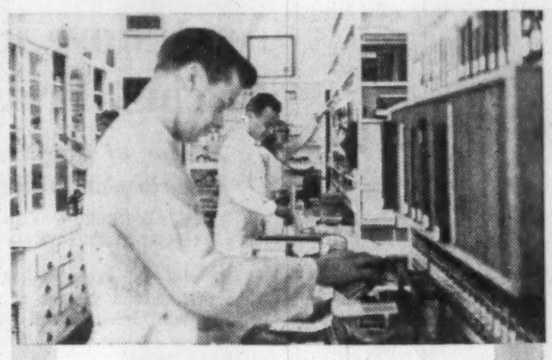
The Queen sent a special message of congratulations.

Flowers have been reaching the villa in such quantities that they could hold a floral carnival.

Yet such is the irony of fate that if there had been no Adolf Hitler, history would have written off Churchill as a brilliant failure, and the epitaph of history would have been "Genius without Judgment."

* * *

The weather in London continues to be dreary, wet and characterless.



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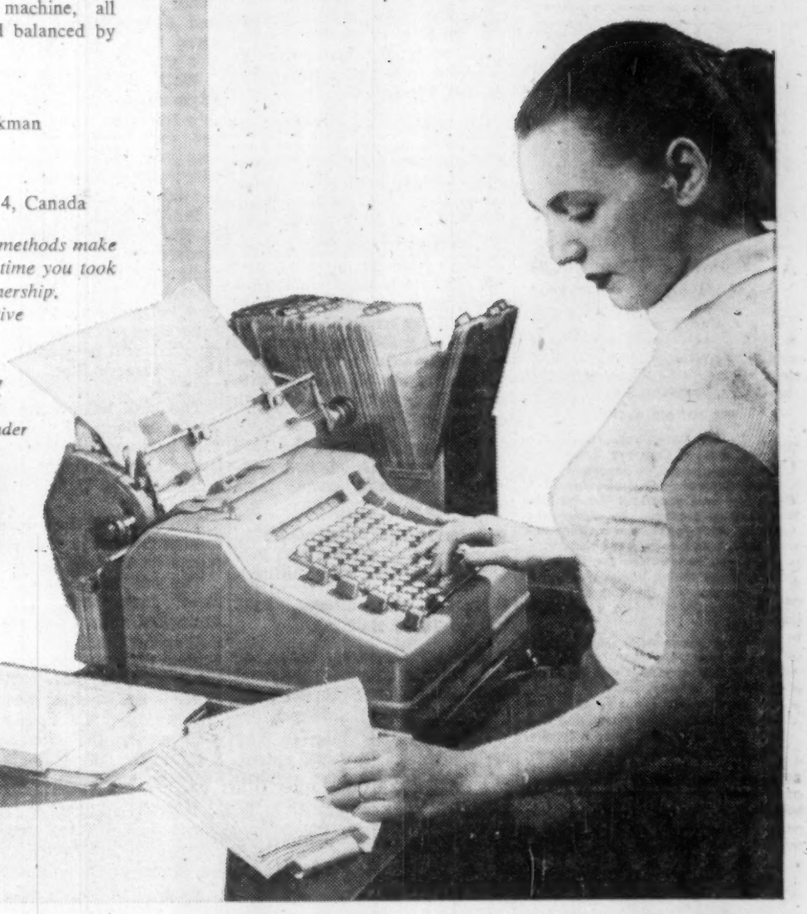

How could my family live on the insurance I've provided?

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YOU AND THE LAW

If you were the judge, how would you have decided this real Canadian court case?

The Profitable Deal

A manufacturing plant was up for sale. It needed a financial reorganization to put it in the black. Bishop, an industrial promoter, interested Allen in the purchase.

A partnership was formed—Allen to provide the preliminary funds and Bishop his organizational experience and skill, as well as some funds on the purchase.

Bishop hired a qualified appraiser, Carter, to conduct the necessary surveys determining the worth of the plant. The surveys revealed that a substantial profit could be made.

Bishop had difficulty raising his share of the purchase price. Carter and Allen put their heads together and bought the company. Bishop was cut out entirely.

Bishop sued: "I hired Carter as my agent. By reason of his employment he gained information which he subsequently used against me to his own advantage. Allen should be liable, too. It was my scheme in the first place and through me Allen learned of the deal. He broke our partnership agreement, and went on to make a profit himself."

Carter replied: "When you could not raise the funds I joined forces with Allen so a good opportunity would not be lost to us all. Without the money you could not have realized a profit and hence you have suffered no loss of profit."

Allen argued: "Our partnership ended when you could not raise the money and I concluded the deal with Carter. As your partner I owe you nothing for the knowledge gained during the partnership."

Should Bishop recover from Carter, Allen, or both?

Carter was an agent for Bishop. The information an agent obtains while in his principal's employ cannot be used by the agent for his own gain. If he does he is deemed a trustee of the profits in favor of his principal.

Carter had to sell his interest in the plant to Bishop at the original price and give the profits to Bishop outright.

Allen was not liable.

In the absence of agreement to the contrary either partner can dissolve the partnership at any time. After the dissolution either partner can use his information to his own benefit, even to compete with his former partner.

Based on a decision of the Supreme Court of Ontario.

By H. T. G. ANDREWS

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Annual Reports Too 'Gimmicky'

There's lots wrong with '58 company reports, say typographers . . .

"Too lavish, gimmicky, inefficient . . ."

These familiar criticisms were applied this week not to 1958 model cars, but to a less familiar target — the 1958 model annual report.

Comments related to many of the 85 Canadian annual reports entered in the Typographic Designers of Canada competition were made by TDC President Frank Davies.

This year's reports, he said, fell into two groups.

"They are either uniformly extravagant, or uniformly penny-pinching."

Emphasis in the judging of the contest, "Typography '58," was on the selection and use of type and letterforms, their suitability for the particular job, and the attention to detail.

"Some of these examples of beautiful illustration and color photography, fine printing and immaculate typography fail to impress because they strive too hard," said Davies.

"At the other extreme there is the cautious president who presents his company to shareholders in a cheap looking, badly printed folder."

He added: "The best looking reports are well designed. Legibility rates high. Illustration is direct and pertinent. The move appears to be to the simple and convincing."

The TDC awards were announced at the opening Tuesday in Toronto of the first nationwide exhibition of the work of Canadian printers, publishers and designers.

Typography '58 will move from the Royal Ontario Museum to Montreal's Laurentien Hotel Sept. 30, and later travel to other cities.

Joint sponsors are the Society of Typographic Designers of Canada and **Rolland Paper Co.**

First prize in the typographers' competition among financial statements was awarded to **Imperial Tobacco Co.** for its 1958 annual report, designed by Ernst Roch and printed by **Ronalds-Federated Ltd.**

"This report," said Davies, "quite frankly embodies prestige advertising in the form of large full-color pictures, interspersed throughout its text. It makes no pretence not to be an advertising piece. I think it comes off because of that."

Here are Davies' comments on some other annual reports:

Ontario Jockey Club — "It gets down to business fast; presents the lists of directors, report and figures in a luxurious setting of blue-grey and gold. It uses a clever device—the oval shape of a track — to give cohesion throughout."

Royal Bank of Canada — "At once one is aware of a conservative approach. The type selected for the inside pages is restrained and traditional. Suddenly half-way through the report color photographs sing out. Then the book regains its decorum and proceeds soberly."

British American Oil Co. — "This report is glossy and delicate, with coarser statistical charts interspersed. It runs its full-color photographs (the inevitable derrick against the setting sun) after the figures and facts."

Aluminium Ltd. — "The type is set on too wide a column and set too tight. Its pictorial statistics are jumbled with photographs and line illustrations."

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Record Sugar Beet Crop Will Harvest $9 Million

From Our Own Correspondent

LETHBRIDGE — Alberta's important beet sugar industry is expecting to keep Prairie sugar bowls filled to overflowing for next year as it counts on coming through this fall with the largest crop of sugar beets ever grown in Canada.

Officials of the industry estimate that Alberta's 1,500 growers would garner 535,000 tons of beet roots from 38,000 acres of irrigated land around Lethbridge during the coming weeks.

Harvesting is scheduled to start this week and two days after beets start coming out of the ground the area's three beet processing plants will go into operation at nearby Raymond, Taber and Picture Butte.

All are owned and operated by **Canadian Sugar Factories, Ltd.**, a wholly owned subsidiary of the **B. C. Sugar Refining Company, Ltd.**, of Vancouver.

This year's record beet crop is expected to yield between 125 million and 150 million pounds of refined sugar.

Sugar content of beets now is increasing rapidly toward Alberta's longtime normal of 17%. It could go higher under ideal conditions. Adverse weather could reduce the sugar content.

The harvest should be completed early in November. It is being started ten days earlier than usual because of the record crop.

General expectations are that growers will receive $16 per ton for 1958 beets, $9 million for the total harvest.

Last year's crop amounted to 493,000 tons.

Sugar company officials told **FP**: "We are all set to start harvesting the biggest and best crop of beets ever grown in Canada. We do not anticipate any serious problems and our hope is that we will have favorable weather conditions for a whirlwind harvesting campaign."

This year's bumper crop is the result of "virtually ideal growing conditions."

No manpower problems are expected. Besides the usual beet harvest labor, hundreds of Indians from Northern Alberta and scattered parts of Saskatchewan are here and available for the work.

At times up to 5,000 men, women and children will be working in fields.

GOING TO AUSTRALIA AND NEW ZEALAND?

Here are some informative folders covering the principal centres that you or your customers will find invaluable. They contain up-to-date information, including street maps, and are free.

These A. N. Z. Bank Travellers' Guides cover Sydney, Melbourne, Adelaide, Perth, Brisbane, Tasmania, Wellington, Auckland, Christchurch, Dunedin and will be sent to you by airmail without charge if you will tell us which ones you want and where to send them.

If you or your customers are planning to establish a business in Australia, we will be glad to include a copy of *"Establishment of Industry in Australia."* Write to:

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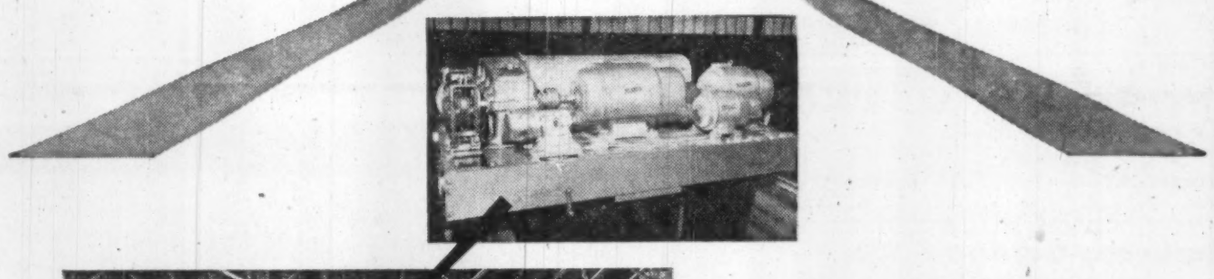

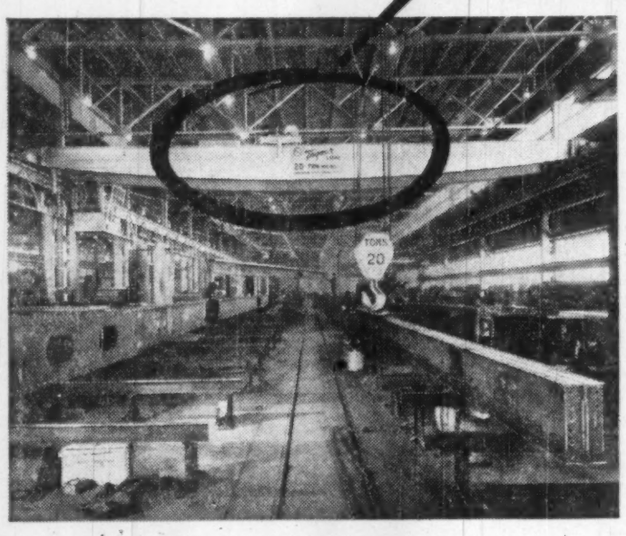

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Execs On Loan To Drive

For six weeks, 35 executives loaned by Toronto business firms will help assure the success of Metro Toronto's 1958 United Appeal campaign.

Their job:

To propose to some 600 firms in the Toronto area the organization of a United Appeal payroll deduction plan.

The sales pitch: An easy, time-saving way to support many charities in one campaign.

If the firm agrees, the executives will set up the payroll deduction plan and follow it up until its completion.

This year's Toronto objective: $8,750,000 — 6.3% more than the amount raised a year ago.

Preliminary to their field work, the executives this week attended three days of intensive instruction on all phases of the United Appeal, including visits to some of the 95 agencies within the appeal.

Chairman of the loaned executives group is H. Arnold Blachford of **Bell Telephone Co.**

This is the third year that Toronto business firms have loaned executives — at their expense — to the United Appeal.

Ten executives worked four months in 1956; last year 23 executives worked two months.

Winnipeg Gas Seeking Lower Rates

From Our Own Correspondent

WINNIPEG — **Winnipeg & Central Gas Co.** has declared its intention to undertake distribution of natural gas in Greater Winnipeg at an average price of 90c per thousand cu. ft. (mcf) to residential customers.

Application was made Sept. 11 to the pubic utility board for a reduced rate schedule based on the Aug. 18 report of the Natural Gas Inquiry Commission. The commission recommended that gas be sold in the Winnipeg area at not more than 90c per mcf to the average residential customer who uses 177 mcf per year for space heating and base load.

The board will hear the application Sept. 25. If granted the new rates will be effective from Oct. 1. They will be more than 10% under the present rate of $1.01.

The application implies evidence of intent to meet conditions set out in the report which stipulated that such satisfactory evidence had to be given within 45 days.

This required the company to make its declaration by Oct. 2.

This evidence is being formally presented to the government this week. It may or may not meet requirements.

Premier Roblin intends to specify what kind of evidence he requires not later than Sept. 19.

The company is also applying to change its corporate name to **Greater Winnipeg Gas Co.**

This is being done by order-in-council. The change is obligatory for stock exchange purposes because of reduction in number of common shares which was part of the financial reorganization approved at a special general meeting of shareholders last May 2.

The 90c rate when approved will save the average householder an estimated $20 to $23 a year in home heating costs if he switches to natural gas.

New financing along the lines outlined in the reorganization plan has been arranged with the underwriters, it's understood.

One of the stipulations of the Aug. 18 report was that the distributing utility get a saturation rate of 75% in five years.

On this basis, the company aims to have 74,000 installations in Greater Winnipeg by end of 1964.

At present about 14,000 homes, most of them in the suburbs, are serviced by gas.

SECRETARIAL EXAMS

Three Canadian secretaries recently passed the Certified Professional Secretary examination. They are: Mrs. E. M. Bowers, Welland, Ont.; Miss Juanita Laws, Thorold, Ont.; and Miss Estelle Crewe, Leamington, Ont. Sponsored by the non-profit National Secretaries Association (International), CPS aims to give secretarial work professional status.

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Output Off, Canadian Husky Income Drops

Curtailed crude production and a "competitive squeeze on refining profits resulting from an over-supply position in the industry" are blamed for a decline in operating income of **Canadian Husky Oil** in the first half this year.

The company, in a report to shareholders, reports an improvement in refined products sales since March, but immediate prospects for oil and gas production are "not encouraging."

Crude oil output in the half totaled 379,224 bbl., down sharply from 500,860 bbl. in the same 1957 period.

Refinery throughput was also down by 20.5% despite a rise in sales volume since March—to a higher rate than the same months last year.

The poorer first quarter lowered the first half average.

Net working capital at end of the period was reported as $8.6 million and about $12 million in additional funds are available to the company now, the report says.

Husky participated in drilling 39 wells in the first half, including seven successes from 20 exploratory wells and 15 successes from 19 development wells.

Three more wells have been completed at Savanna Creek, giving the field an estimated open flow potential of 190 million cu. ft. daily from six wells.

At June 30, there were 149 Husky service station outlets compared with 128 at the end of last year. Six more have been under construction.

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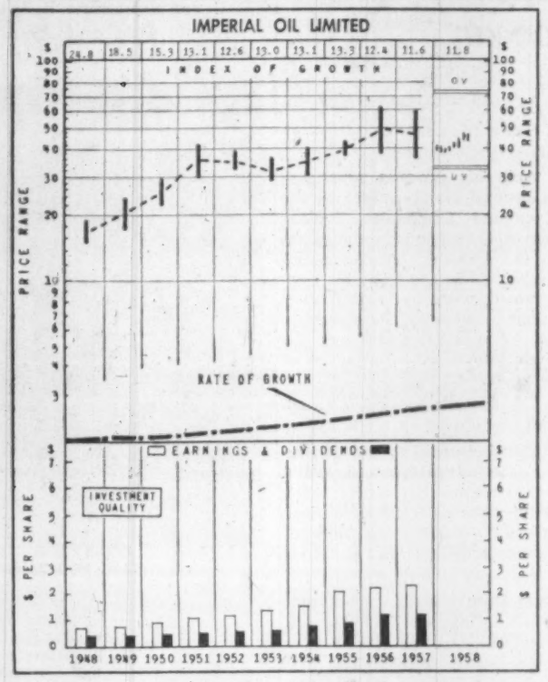
Selected Growth Stocks

— Quarterly Report —

By NESTOR

This is an exclusive FP series on Selected Growth Stocks chosen by one of the continent's most prominent and successful investment advisers. The reasons for choice are shown below the comment on current operations. Each company will be reviewed here quarterly. This series in FP does not constitute a recommendation to buy these stocks.



Imperial Oil

Imperial Oil Ltd., at recent market price of $44¼, is 34% above UV level ($33), could rise 63% before reaching OV level ($72). Price is 19.3 times 1957 earnings of $2.29 per share. Yield is 2.71% at indicated annual dividend rate of $1.20 per share. Price this year has ranged between a high of $47, a low of $38½.

Net profit dipped 35.8% to 77c a share in the first half of this year from $1.19 in January-June, 1957.

Product sales for the first six months averaged 7% less than a year earlier, but it is understood that they are now running at or slightly above the corresponding volume at this season last year. Gasoline sales continue to be the brightest segment of company's market, and are somewhat higher than in 1957.

Because demand for furnace fuel oil has been increasing seasonally, there has been some over-production of gasoline in East Coast regions. This has been reflected in some local price reductions in those areas.

In certain other areas, gasoline price wars continue among small groups of service stations as they have for the past several months.

Crude oil production in first-half 1958 was down 28% from the first six months of last year, and volume of crude oil processed was 10% lower. This situation, indicative of a world-wide surplus of crude, has not improved in the third quarter.

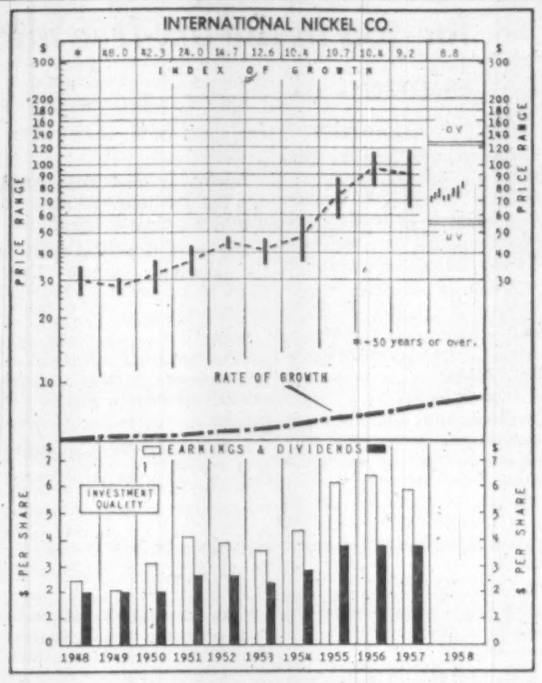
Many industry men believe that oil is now in a new era of more intense competition, both from other energy sources and from new entrants in the industry itself. In this view, industry capacity may exceed demand for many years to come.

Output of Imperial Oil's newly opened $4.5-million detergent plant at Sarnia has now reached approximately 85% of capacity, and continues to rise.

Company has awarded contracts for a $500,000 distribution terminal at Cutler, Ont., and a $1.1-million asphalt plant at its Edmonton refinery. Construction of both plants is expected to begin shortly, with completion scheduled for late 1959 or early 1960.

Nestor's Original Reasons for Choice

IMPERIAL OIL — Imperial's outstanding record for oil discovery in Western-Canada, its large reserves, and its continuing exploration and expansion program promise, along with the continually growing demand for petroleum products, to maintain the company's position as Canada's largest and most fully integrated oil company.



International Nickel

International Nickel Ltd., at recent market price of $81¾, is 51% above UV level ($54), could rise 48% before reaching OV level ($121). Price is 14 times 1957 earnings of $5.90 per share. Yield is 3.2% at indicated annual dividend rate of $2.60 per share. Price this year has ranged between a high of $82¾, a low of $69½.

Earnings trend of first half was 53% below that of 1957.

Inco net profit was $21,401,000 equal to $1.46 per share in the half, down from $45,601,000 equal to $3.12 per share in the first six months of 1957. Last half 1957 net was equal to $2.78 per common share.

Not fully reflected in this picture are three production cutbacks by the company this year.

These reductions have cut back nickel output rate from around 290 million lb. a year to 200 million lb. annually. Copper production has been reduced to the same level, since copper ore is produced with the nickel. Copper production last year was 280.8 million lb.

This new rate was made necessary, the company says, by declining deliveries of nickel to customers and the buildup of inventory in the hands of producers and others. Nickel deliveries in the first half this year were down by 35% from the similar period last year.

While earlier unofficial estimates of earnings for this year ranged around $3.50-$4 per share, the full first half results suggest the profit figure could be lower. Inco earned $5.90 per share last year.

In addition to nickel, there were reductions in the deliveries of copper and platinum metals by the company. However, since the first half, copper prices have rebounded 1½c lb. from the low (25c lb. U. S.). The Canadian price reached a low of 24c lb. in May, has moved upward to 24¾c-25⅛c lb. Inco is Canada's biggest copper producer.

Capital expenditures by Inco have risen again this year as the Thompson, Manitoba, development is pushed ahead. They amounted to $25.3 million in the first half. However, company's net asset position remains strong with cash, securities and receivables of $157.6 million at June 30, current liabilities of $50.5 million.

Nestor's Original Reasons for Choice

INTERNATIONAL NICKEL — Company produces more than 60% of the free world's nickel output. Development of properties in Manitoba should assure maintenance of this rate and, along with other expansion, will increase mining capacity by 35%. Uses for nickel are expected to widen substantially now that ample supplies are available.

How to Read Nestor's Special Stock Charts

INDEX OF GROWTH: The rate at which the value of the equity behind the stock is doubling as determined by the growth rate at which it entered the year. A figure of 5.6 for the present year would indicate that at its current growth rate the equity value is doubling every 5.6 years.

PRICE RANGE: The annual high, low and mean price. Monthly ranges for the current year.

UNDERVALUATION AND OVERVALUATION PRICE LEVELS: Shown by the narrow horizontal lines above and below the stock's price range indicating price at which the particular stock is adjusted as underestimating or overestimating its future rate of growth. A stock showing a fast growth rate will sometimes anticipate growth by two or three years. In this case it may not be so attractive a purchase relatively as some other fast-growing stock that is not anticipating its growth beyond the immediate present. Other factors such as rate of growth and investment quality will also enter into the comparison an investor will want to make.

Without these UV and OV levels a current quotation of say, 55 or 75 would carry no significance regarding long-range value. The UV/OV levels also permit judgment as between one stock and another. They are not designated points of purchase or sale nor do they attempt to show what will be a stock's bottom or top figures in any given year.

RATE OF GROWTH: The rate as based on Nestor's tests at which the company is showing underlying or long-term growth. This will determine the price trend of the company's common stock over a period of years and in most instances the trend of dividend payments.

**Background and principles behind the selection by Nestor were discussed in a special article in FP, Jan. 10, 1953. A limited number of reprints are available on request.*

Public Works Contracts

$10 Million New Jobs Awarded

Contracts totalling $10,080,352 were awarded by the federal department of public works in September.

Of this nearly $2.5 million was for new works in building construction and harbors and rivers engineering. Some $7,204,883 worth of contracts were awarded for roads and bridges through national parks and for construction of Trans-Canada Highway.

Major projects included:

Wilson's Beach, N.B.—Extension to breakwater-wharf — **J. W. McMullkin & Son Ltd.**, Upper Gagetown, N.B., $93,802

Montreal — Construction of vault building for National Film Board—**J. Rosario Loyer**, Montreal, $239,000

Ste. Anne de la Pocatiere, P.Q. — Alterations to heating plant of Science Service Laboratory for Department of Agriculture—**Maurice Langlais**, St. Jean-Port Joli, P.Q., $2,811

Sept Iles, P.Q.—Construction of federal building — **C. Jobin Ltée**, Quebec City, $344,000.

Hamilton, Ont.—Ship Street, Terminal 3 — Construction of wharf — **Raymond International Co.**, Toronto, $899,746

London, Ont. — Construction of addition to medical unit. New solaria at Westminster Veterans Hospital for Department of Veterans Affairs — **McKay-Cocker Construction Ltd.**, London, Ont., $39,242

Ottawa—Construction of addition No. 2 to Finance Building, Tunney's Pasture—**Ron Engineering and Construction Co.**, Ottawa, $212,880

Timmins, Ont.—Construction of Detachment Quarters for R.C.M.P. — **Hill-Clark-Francis Ltd.**, Timmins, Ont., $48,495

Banff National Park, Alta. — Banff-Jasper Highway. Grading, culverts, base course and bridge construction from Mile 46 to Mile 58 — **Standard Gravel & Surfacing of Canada Ltd.**, Calgary, Alta., $1,332,605

Banff National Park, Alta.— Banff-Jasper Highway — Grading, culverts and base course from Mile 58 to Mile 67.7 — **Storms Contracting Co. (Pacific) Ltd.**, Vancouver, $1,019,862

Banff National Park, Alta. — Banff-Windermere Highway — Grading, culverts and base course from Mile 1 to Mile 9.5 — **Premier Construction Co.**, Vancouver, $879,435

Elk Island Park, Alta. — Construction of semi-detached residence, garage, gatekeeper's cabin, entrance gateway building and standard Texas gate — **Edmonton Construction Co.**, Edmonton, $48,859

Glacier National Park, Alta. — Trans-Canada Highway — Grading and culverts from Mile 9.7 to Mile 12.4—**Emil Anderson Construction Co.**, Hope, B.C., $1,225,354

Glacier National Park, Alta. — Trans-Canada Highway — Grading, culverts and bridge construction from Mile 18.7 to Mile 23.3 — **General Construction Co.**, Vancouver, $784,744

Fort St. John, B.C. — Construction of Detachment Quarters for RCMP—**C. J. Oliver Ltd.**, Vancouver, $52,319

Mount Revelstoke National Park, B.C. — Trans-Canada Highway — Grading, culverts and base course from Mile 0 to Mile 7.7—**John Laing & Sons (Canada) Ltd.**, Vancouver, $1,962,882

Mayo, Y.T. — Construction of Detachment Quarters for RCMP —**V. B. Humphrey Construction Ltd.**, Vancouver, $61,365

Fort Providence, NWT—Construction of two-classroom school, double house, warehouse and powerhouse for Department of Northern Affairs and National Resources — **Edmonton Construction Co.**, Edmonton, $184,948

Fort Smith, NWT—Construction of federal housing — **Edmonton Construction Co.**, Edmonton, $175,818

Hay River, NWT—Construction of five-bay garage, single house, standard warehouse and addition to Indian day school for Department of Northern Affairs and National Resources — **Edmonton Construction Co.**, Edmonton, $119,851

These contracts were awarded for dredging:

Blandford, N.S.—**J. P. Porter Co.**, Montreal, $33,750

Middle Caraquet, N.B. — **Diamond Construction Ltd.**, Fredericton, N.B., $15,750

Berthierville, P.Q. — **Theode Robidoux**, Sorel, P.Q., $8,750

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Short Position Rises at Montreal

MONTREAL (Staff) — Short position on the Montreal Stock Exchange Aug. 31, 1958, was 20,030 shares in 38 issues, up 451 shares and four issues from the position Aug. 15.

Among significant changes:

Abitibi	+225	Donohue Bro.	—100
Aluminium	—904	Fraser	+250
B. C. Forest	+200	Gt. Lks. Pap.	—100
Can. Cement	—130	Home A	—100
Cdn. Br. A. A	+150	Pacific Pet.	+1,000
Con. M. & S.	—125	T.-Can. Pipe	+2,000

Short position on the Canadian Stock Exchange Aug. 31, 1958, was 85,035 shares in 71 issues, down 14,525 shares but unchanged as to issues from the position Aug. 15.

Among significant changes:

Barnat	+300	Ford A	+125
Camp. Chi.	—400	Montgary	—1,000
Cen. Del R.	+2,810	N. Hosco	+3,800
C. Halliwell	+1,000	Opemiska C.	+300
C. Sudbury	—2,400	Tache	+1,000
Cop. Rand	—1,400	United Oils	+4,000

Here is the actual short position on the Montreal Stock Exchange Aug. 15.

Issue	Shares	Issue	Shares
Abitibi	1,255	Hud. Bay Mng.	450
Algoma	150	Int. Nickel	2,283
Aluminium	3,749	Int. Utilities	150
B. C. Forest	400	Interprov. Pipe	100
Brown	450	Massey-Ferg.	200
Can. Cement	375	McColl-Front.	200
Cdn. Brew.	200	Mtl. Locomo.	100
Cdn. Br. Al. A	150	Noranda	400
Cdn. Oils Cos.	300	Que. Nat. Gas	940
C.P.R.	150	Pacific Pete.	1,000
C. Mng. & S.	655	Price	225
Dist. Seag.	195	Shawinigan	200
Dom. Bridge	100	Steel Co.	650
Dom. Stores	250	Trans-Can. Pipe	370
Fraser	250	Weston, Geo. A	150
Gt. Lakes Pap.	875	Wpg. & Cen. G.	300
Home A	100		

Here is the actual short position on the Canadian Stock Exchange Aug. 15.

Issue	Shares	Issue	Shares
Barnat	11,200	Montgary	3,000
Bateman	1,000	New Hosco	7,675
Camp. Chib.	10,700	N. Pacific	500
Cent. Del R.	13,910	Nickel Rim	1,400
Con. Denison	900	Opemiska C.	4,000
C. Halliwell	1,500	Stanleigh	1,900
C. Paper	2,375	Steep Rock	850
C. Sudbury	2,100	Tache Lake	3,000
Cont. Mining	1,000	Trans Mtn.	1,810
Copper Rand	3,000	Union Gas	1,000
Ford A	350	Un. Asbestos	100
Hollinger	200	United Oils	11,600
Little Long Lac	400	Ventures	200
Minn. & Ont. P.	300		

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Bermuda built a tourist trade, which it has successfully carried on for more than half a century.

Though prospects for tourism are still very bright, Bermuda wants a more diversified economy.

Throughout its history, Bermuda's geographical position has always helped maintain its prosperity.

In its new role as a free port this factor is again important.

Although one of the most isolated places in the world, it is nevertheless on major trade routes.

It is also within the sterling area yet close to Canadian, U. S. and South American ports.

The Ireland Island Free Port Act, incorporated in April, 1956, provides for the import, export, manufacture, processing, assembling, packaging and storing of "goods, articles and things" without payment of any taxes or duties, within the designated free port area.

An amendment to the act also provides for the import and export of articles into and from the area via the ports of Hamilton and St. George's and Kindley Airport.

The free port area, which is approximately 50 acres in size, is the site of the former naval dockyard, which was closed by the British Admiralty in 1951, and sold to the Bermuda Government by the Imperial Government in 1954.

Ireland Island is on the western tip of Bermuda, and the free port area includes about 10 to 12 well constructed buildings.

Several of these buildings are equipped with traveling gantries.

Bunkering and deep water docking facilities (33 ft.-34 ft. depth) are close at hand.

The port is administered by the Bermuda Crown Lands Corp. an agency of the Bermuda government.

Rentals are negotiated on a square-foot basis and leases are for five-year periods with renewal options available for periods not exceeding 21 years.

In the corporation's annual report for 1957 it is stated that "the Corporation is ever mindful of the obligations placed upon it" by the Crown Lands (Management and Development) Act, 1954, which states in one section:

"The Corporation shall, to the best of their ability, operate their undertaking in the manner in which persons of sound business capacity, foresight and integrity would operate for private gain a similar undertaking so, however, that the Corporation, in operating their undertaking, shall always have regard to the reasonable needs of the public and to the orderly and effective development of the economic life of these Islands as a whole."

This policy offers any industrialist a friendly climate for operations.

There are two types of incorporated companies in Bermuda.

The first type is one formed to carry on normal business activities in Bermuda with limited liability and other advantages.

The other type is the "exempted company" which is exempted from certain requirements of local companies, but is restricted in its activities, especially where regular trading in Bermuda is concerned.

Exempted companies must maintain a registered office in Bermuda where records are kept, but there are no restrictions on shareholders as to nationality or residence.

A private bill must be passed by the Legislature to complete the incorporation procedure.

Once a business is incorporated it pays the Bermuda government an annual corporation fee of £200 (approximately $540).

Other than this there are no taxes or assessments.

And this tax-free advantage is ensured for the future by the Exempted Companies Protection Act, 1956, which states that in the event of legislation being passed by the Bermuda government, whereby income taxes might be imposed, these exempted companies would not be subject to them for a period of 30 years.

The advantages of this situation are obviously reciprocal.

The industrialist enjoys the tax-free advantage and avails himself of the Bermudian labor force, whose wage scale is considerably lower than that of Canada and the U. S.

Bermuda benefits by the income from rentals, corporation fees, wharfage and port dues and other capital generated by normal business operations, as well as by the creation of employment for its steadily growing population.

There are presently five companies in opefation in the free port area, three of which are U. S., one U. K. and one Bermudian.

The U. S. companies:

Pepsi-Cola (Bermuda) Ltd., John H. Breck (Bermuda) Ltd., shampoo manufacturer, and **Merck, Sharp anad Dohme (International) Ltd.,** a drug manufacturing concern.

The U. K. industry is **Steel Corp. (Bermuda) Ltd.,** which salvages and processes scrap metal.

Bermuda Industrial Development Co. handles pharmaceutical products.

These companies are all in initial stages of operation.

Pepsi-Cola, which manufactures concentrate, started operations in September, 1957, and by the year end had exported approximately 2,000 drums and 500 cases.

The Steel Corp. began operating in June, 1957, and by the end of the year had exported approximately 964 tons of processed scrap metal, and had large quantities on hand which were being processed.

No Canadian firm has pioneered in this venture to date, although it is reported that several enquiries have been received from Canadians relative to establishing an industry there.

Bermudians think they have an ideal spot for a large company to carry out some phase of its operations, or for a small industry to set up shop.

Isolation has its advantages. **The tides of prosperity are usually high** in the mid-Atlantic island, no matter what the economic tides in other parts of the world.

J. D. Watlington is a native Bermudian now working in Canada.

Short Position Rises on TSE

Short position on the Toronto Stock Exchange rose to 1,627,145 shares of 264 issues on Aug. 29, compared with 1,445,979 shares of 261 issues on Aug. 15.

Among the changes were:

Aluminium	—640	Mt Wright	—5,800
Barnat	+23,000	New Hosco	+97,000
Con Callin'n	—6,000	N Myla'que	+6,275
C Sudbury	—8,000	Norlartic	+75,000
Coulee	—5,000	N Rankin	—6,500
Cusco	—13,000	Norvalie	+13,000
East Amphi	+7,000	Que Ascot	+5,500
Int Nickel	—2,525	Salada	—1,654
Maralgo	—7,000	Stanwell	+6,000
Mill City	+5,000	Tr-Can PL	+1,000
		Tr Mtn PL	+690

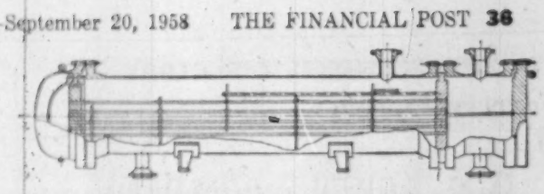
Here are the short positions in detail:

Stock	Shares	Stock	Shares
Abitibi	950	Con Callinan	1,000
Advocate	3,500	C. Denison	10,500
Ajax	1,000	Do wts	36,000
Algom	6,200	C Discovery	500
Do wts	3,480	C Halliwell	4,000
Algoma Steel	450	C Marcus	500
Allied Roxana	500	C Mic Mac	2,000
Aluminium	1,300	C Smelters	1,825
Am Rare E	10,000	Mogul	1,100
Anacon	6,000	C Paper	100
Arcadia	3,300	C Regcourt	2,000
Area	3,500	C Sudbury	48,700
Arjon	2,000	Cop Rand	34,700
Asbestos	400	Corby vot	600
Atlas Steel	300	Coulee	7,000
Barnat	163,900	Cree wts	200
Barvue	1,000	Croinor	1,000
Baska	5,000	Cuseo	500
Beaucage	1,500	D'Aragon	1,000
Belcher	21,200	Devon Palm	4,700
Bell Phone	125	Dom Fdries	650
Bethlehem	300	Dom Stores	200
Bicroft	3,800	Dupont	200
Do wts	7,650	Duvan	3,000
Bidcop	1,000	E Malartic	1,100
Bralorne	200	E Sullivan	1,900
Britalta	200	E Amphi	9,000
B-A Oil	900	Elder	8,000
B C Forest	1,700	Falconbridge	600
B C Power	125	Faraday	800
Brunswick	5,000	Fargo	2,600
Buiolo	500	Farwest	1,000
Cabanga	1,500	Ford A	100
Calalta	1,000	Gaspe	400
Calg & Ed	100	Geco	5,900
Camp Chib	31,700	Gen Develop	5,800
Can Cement	200	Gen Motors	200
Can Iron	50	Giant Yk	500
Can Oil L	300	Goldfields	3,000
Cdn Brew	25	Granduc	1,200
Cdn Chieft	2,300	Gt Lakes Pap	575
Cdn Devon	1,300	Gunnar	1,900
Cdn Dyno	12,500	Do wts	5,620
C Export Gas	200	Gypsum	100
C Husky	100	Halmon	1,000
Do wts	4,275	Hd of Lakes	4,000
C Hydrocarb	200	Head wây	41,000
C Malartic	500	Hollinger	500
C Northwest	1,000	Home O A	1,000
Cdn Oil	300	Hudson B M	1,475
Do '53 wts	250	Hudson's B O	500
Do '55 wts	3,250	Humber	1,600
CPR	100	Imp Oil	1,400
C Petrof pr	500	Ind Accept	800
C West Oil	3,700	Int Nickel	6,999
Can-Erin	1,000	Int Ranwick	13,500
Can-Met	10,400	Int Paper	100
Cariboo	500	Int'prov. PL	250
Cassiar	500	Irish Copper	20,000
Cent Del Rio	17,100	Iron Bay	2,000
Cen Porcup	1,000	Jacobus	27,100
Chib Kayrand	5,100	Jaye	7,000
Chromium	100	Jellicoe	1,000
Cochenour	5,900	Jowsey	1,500
Cockshutt	1,100	Jupiter	100
Coldstream	9,700	Kilembe	2,000
Kirk Min	2,000	Permio pf	600
Labrador	700	Petrol	2,000
Lake Cinch	500	Phillips Oil	500
L Dufault	4,400	Powell River	225
L Shore	1,000	Price	25
Laurent A	200	Pronto	400
Leitch	1,000	Provo	4,700
Littl L Lac	100	Purdex	1,000
Lorado wts	1,350	Que Ascot	5,500
Loblaw A	190	Que Copper	6,000
Lyndhurst	1,000	Que Lithium	200
Macassa	100	Que Nat Gas	100
MacMillan B	16,650	Quemont	3,600
Madsen	1,300	Rexspar	6,500
Maralgo	33,500	Richwell	800
Maritimes	9,100	Roche	2,000
Martin	2,000	Rockwin	3,000
Massey-F	700	Roe, A V	1,100
McColl-Fr	100	Royalite	1,100
McIntyre	100	St Law Corp	700
McMarmac	1,000	Salada	500
Merrill	500	Sapphire	1,500
Meta	1,000	Satellite	500
Midcon	1,500	Scurry	2,000
Mid-W IG wts	200	Security F	100
Mill City	5,000	Sherritt	700
Milliken	16,400	Sick's	100
Min-Ore	1,500	Silver Mill	10,000
Molybdenum	400	Simpsons	100
Moore	125	Slocan	1,000
Mt Wright	1,500	Stand Paving	125
Nat Expl	2,000	Stanleigh	25,200
N Calumet	500	Stantock	4,800
N Cont	1,000	Stanwell	7,000
N Davies	1,000	Starratt	1,000
N Delhi	500	Steel	300
N Hosco	232,200	Steep Rock	22,000
N Jason	1,000	Sup Prop wts	300
N Man	1,000	Sylvanite	1,000
N Mylamaq	40,000	Taurcanis	1,300
Newnorth	3,000	Temagami	6,000
N Senator	500	Thompson L	3,000
N Superior	4,000	Tidal	1,000
Nickel Mng	1,000	Trad Fin A	575
Nickel Rim	11,300	Trans Can P	1,475
Nipissing	900	Trans Mount	2,590
Noranda	1,600	Triad	400
Norlartic	77,500	Trinity Chib	3,400
Normetal	1,300	Un Asbestos	45,000
Norpax	600	Un Oils	14,200
N Goldcrest	1,000	Upper Can	500
N Rankin	60,300	Vandoo	500
N Star	100	Ventures	700
Do '56 w	1,950	Walkers	900
Do '57 w	350	W Cdn Oil rts	5,600
Northspan	49,500	W Decalta	100
Do wts	1,000	Do wts	6,300
Norvalie	15,000	W Naco	100
Ont Jockey	500	Westen A	200
Do wts	500	Do A wts	600
Opemiska	22,700	Willroy	12,000
Osisko	500	Wiltsey	12,000
Pac Pete	1,500	Wpg & Cent	14,100
Page-Hersey	100	Yale	4,000
Pato	200	Yk Bear	1,000
Pembina	200	Zenmac	1,000

SCHOLARSHIP WINNER

Dominion Electrohome Industries Ltd., Toronto, has awarued its $1,600 scholarship for 1958 to Peter Suttie, an 18-year-old graduate of Kitchener-Waterloo Collegiate. Award provides $600 for first year, $400 for second, and $300 for third and fourth years. The scholarship provides an extra $500 per year to the university toward costs not covered in fees. Suttie will attend the University of Toronto.

Canada's Largest Refineries and Plants



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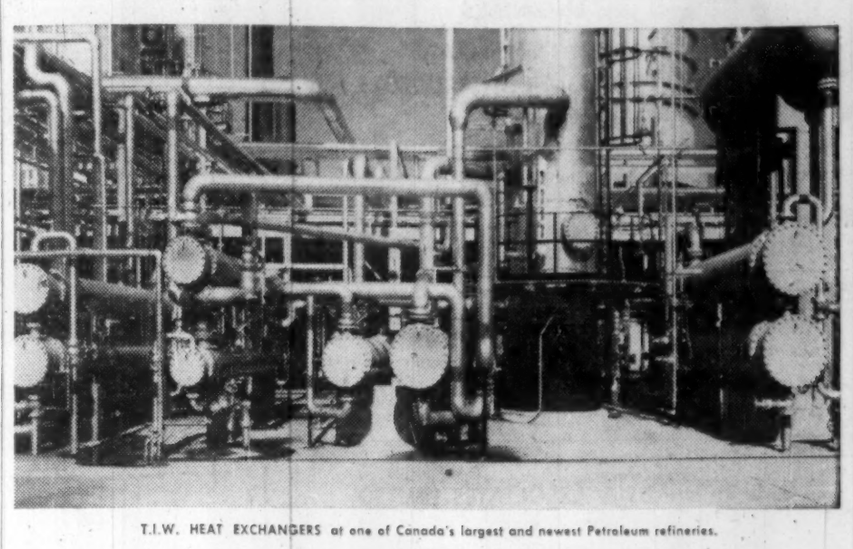

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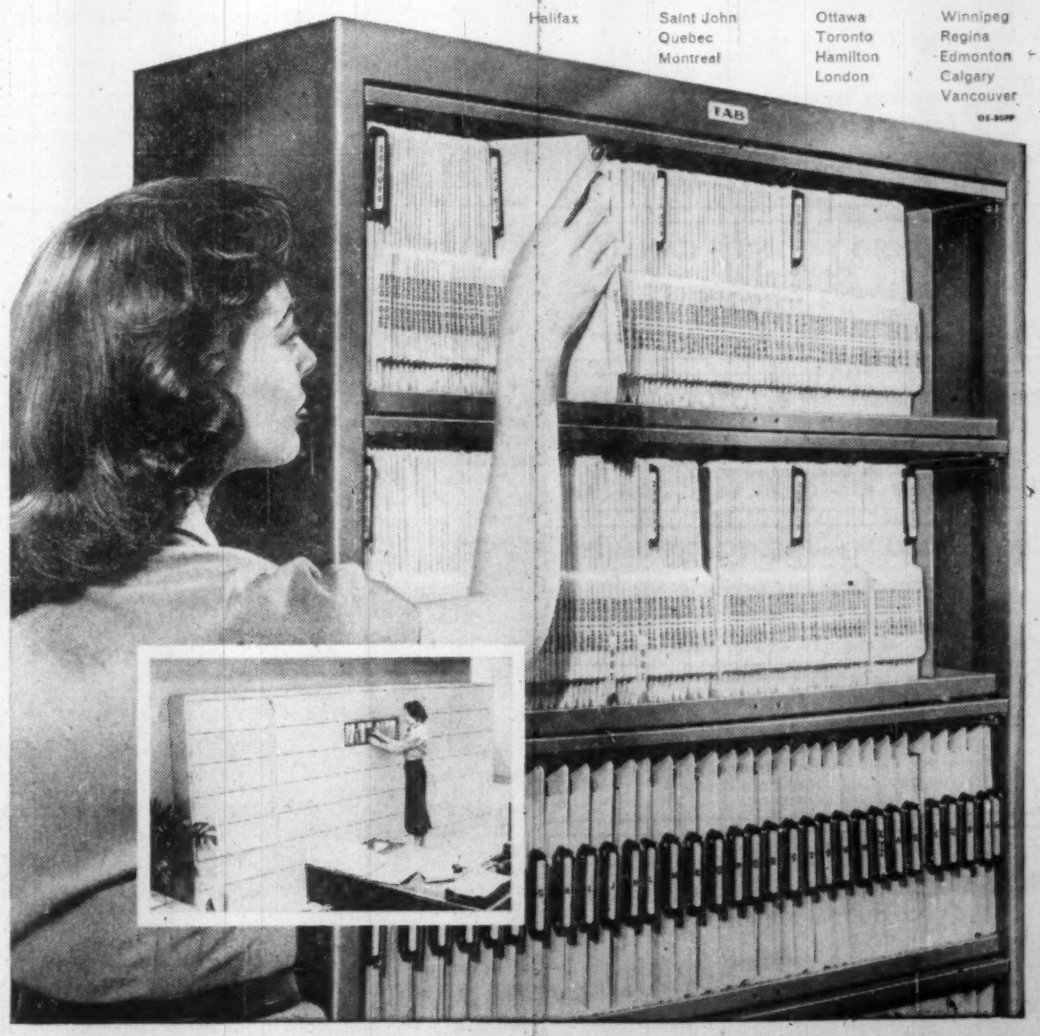

Company Reports

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Food

LOBLAW COS., Toronto, consolidated net profit of $7,555,826 for year ended May 31, 1958, was 12.7% higher than previous fiscal year's net of $6,702,796.

At May 31, Loblaw Cos. held 97.3% of second preferred and common stock of **Loblaw Groceterias Co.**

A pro forma calculation to include net earnings of **National Tea Co.** shares owned by **Loblaw Groceterias** in excess of dividends received indicates that earnings on combined Class A and B shares of Loblaw Cos. would be $3.60 per share.

CONSOL. INCOME ACCOUNT

	▲June 2 1957 to May 31 1958	▲June 3 1956 to June 1 1957
Period:	$	$
Operating profit	24,117,768	23,592,538
Add: Invest. inc.	1,275,836	1,160,142
Misc. inc.	460,989	138,752
Net income	25,854,593	24,891,432
Less: Deprec.	6,274,295	5,782,265
Deb. int.	2,047,736	1,582,576
Other int.	93,185	83,906
Inc. tax res.	7,012,694	7,914,608
Minority int.	2,870,857	2,819,281
Net profit	7,555,826	6,702,796
Less: Pref. divds.	1,045,166	1,033,656
Class A divds.	70,712	68,910
Class B divds.	790,195	786,797
Surplus for year	5,649,753	4,813,433

▲Includes accounts of Loblaw Inc., a U. S. subsidiary.

Times Debenture Interest Earned:*		
Before deprec.	12.56	15.62
After deprec.	9.52	11.98
*After other interest.		
Earnings per Share and Dividend Record:		
Pref.	$17.33	$15.50
Paid	2.40	2.40
Class A & B	3.02	2.64
Class A: Paid	0.40	0.40
Class B: Paid	0.40	0.40
Shares o/s as at:	May 31 1958	June 1 1957
Cum. red. pref. shs. $50 p.v.	435,972	432,343
Class A, n.p.v.	179,516	172,937
Class B, n.p.v.	1,977,931	1,970,703

CONSOLIDATED BALANCE SHEET

As at:	▲May 31 1958	▲June 1 1957
Cash	$5,164,588	$3,609,123
Accts., etc., rec.	8,864,353	7,815,761
Inventories	53,827,619	47,598,954
Total curr. assets	70,856,560	64,023,838
Mktble. secs. at cost:		
National Tea Co.	41,030,310	40,779,895
Misc. assets	9,117,693	3,651,757
Loblaw Leased Prop. pf. shs. cost	6,367,500	4,322,500
Fixed assets*	87,924,358	60,457,936
Total assets	195,296,421	173,235,926
Accts. & taxes pay.	58,523,105	52,322,263
Sinking fund	2,060,000	1,660,000
Total curr. liab.	60,583,105	53,992,263
Def. taxes of subsid.	628,000	.....
Real estate res.	3,430,723	3,980,636
Mortgages	918,504	325,456
Funded debt	46,736,368	38,275,985
Minority int.	24,597,140	33,897,216
Capital stock	37,230,771	36,822,876
Earned surplus	11,171,810	5,941,534
*After depr. of	32,883,946	28,227,384
▲Market value	36,651,000	29,400,000
▲Includes accounts of Loblaw Inc., a U. S. subsidiary.		
Working capital	10,273,455	10,031,575

LOBLAW GROCETERIAS CO., Toronto, consolidated net profit of $8,804,084 for year ended May 31, 1958, was 9.8% higher than previous fiscal year's net of $8,015,740.

Canadian retail sales of $325.3 million were highest in company history, and 14.1% greater than previous year's $285 million. Net profit from these sales was $7,095,014, or 2.15% of sales.

Company's expansion in Western Canada was one of the most important milestones in Loblaw history, President G. C. Metcalf says. This started with a supermarket in Calgary, opened last May, followed by stores in Winnipeg, Edmonton and Lethbridge.

Five stores now operating in the west will be supplemented by 14 more now under construction. Store expansion continues in Ontario.

CONSOL. INCOME ACCOUNT‡

Years Ended	May 31 1958	June 1 1957
	$	$
Gross sales*	325,346,316	285,000,000
Net earnings	25,902,258	25,237,171
Less: Deprec.	6,274,295	5,782,265
Debent. int.	2,050,444	1,588,576
Other int.	93,185	83,906
Inc. tax res.	7,012,694	7,914,608
Subs. inc. prior to acq.	.....	297,300
Min. int.	1,667,556	1,554,776
Net profit	8,804,084	8,015,740
Less: 1st Pref. divs.	995,344	997,500
2nd Pref. divs.	916,815	916,815
Com. divs.	1,047,098	1,047,098
Surplus for year	5,844,827	5,054,327

*Canadian retail sales only.
‡Includes accts. of Loblaw Inc.

Times Debenture Interest Earned:*		
Before deprec.	12.59	15.83
After deprec.	9.53	12.19
*After other interest.		
Earnings per Share and Dividend Record:		
1st Pref.	$13.37	$12.05
Paid	1.50	1.50
2nd Pref. & com.	8.20	7.38
Paid	2.06	2.06
Shares outstanding:		
1st Pref., $30 par	658,605	665,000
2nd Pref., n.p.v.	445,056	445,056
Common, n.p.v.	508,300	508,300

CONDENSED CONS. BALANCE SHEET†

As at:	May 31 1958	June 1 1957
Cash & mkt. secs.	$8,161,923	$8,601,741
Accts., etc., rec.	7,435,068	5,901,527
Rec. under lease-backs	1,429,285	1,914,234
Inventories	53,827,619	47,598,954
Total curr. assets	70,853,895	64,016,456
Misc. assets	8,867,518	3,401,582
Inv. in & adv. to subsid.	47,470,310	45,383,497
Fixed assets*	67,924,358	60,457,936
Total assets	195,116,081	173,259,471
Due bank	9,688,309	4,055,927
Divd. pay.	740,353	79,100
Accts., etc., pay.	44,508,003	43,831,034
Sinking fund	2,060,000	1,660,000
Inc. tax res.	3,577,879	4,352,657
Total curr. liab.	60,574,344	53,978,718
Deferred taxes	638,000	.....
Min. int.	13,496,909	12,635,943
Mtges. payable	918,504	325,456
Real estate res.	3,430,723	3,980,636
Funded debt	46,771,368	38,275,985
Capital stock	39,937,572	27,129,422
Contrib. surp.*	1,739,950	1,748,330
Surplus‡	40,618,711	35,184,981
*After depr. of	32,883,946	28,227,384
Working capital	10,279,551	10,037,738

‡Premium on First Pref. shares.

†After adding $1,470,135 in 1957, profit on sale of land and bldgs. and deducting $1,125,503 in 1957, real estate carrying charge reserve, also $273,114 in 1958 and $397,319 in 1957 expenses re sale of debentures, and $137,963 in 1958 and $2,190,619 in 1957 consol. goodwill written off and earnings of Loblaw Inc. from acquisition to June 3/56 of $3,288,164.

‡Includes accts. of Loblaw Inc.

CANADA BREAD CO., Toronto, net profit for the year ended June 28, 1958, amounted to $411,505, up 10.1% from $373,707 the year before.

Several of company's markets have faced "unsettled conditions" and this has been reflected in the company's earnings, states President D. A. Ross. However, despite keen competition, sales progress was made, he said.

Rising costs have not been fully compensated by advances in prices. However, company considers prospects for the coming year to be "reasonably bright."

CONS. INCOME ACCOUNT

Years Ended:	June 28 1958	June 29 1957
Net earnings	$1,335,253	$1,268,302
Less: Depreciation	357,845	568,837
Bd. & note int.	141,954	150,638
Bd. disc. & exp.	6,951	7,100
Inc. tax	217,000	168,000
Net profit	•111,505	•373,707
Less: B pref. divds.	62,500	62,500
Common divds.	20,000	20,000
Surplus for year	329,005	291,207

•As a result of claiming for tax purposes depreciation in excess of amt. shown in the accounts, net profit was increased by approx. $78,000 in 1957 and $82,000 in 1958.

Times Bond and Note Interest Earned:		
Before deprec.	9.41	8.42
After deprec.	5.48	4.64
Earnings per Share and Dividend Record:		
B pref.*	$16.46	$14.95
B pref.†	9.06	8.34
Paid	2.50	2.50
Common†	0.92	0.83
Paid	0.10	0.10
*Before (after) participation.		
Shares outstanding:		
Class B, $50 par	25,000	25,000
Common, n.p.v.	200,000	200,000

CONDENSED CONS. BALANCE SHEET

As at:	June 28 1958	June 29 1957
Cash	557,845	568,837
Accts. rec. less res.	633,176	515,265
Inventories	918,592	975,620
Total curr. assets	2,074,132	1,947,570
Prep. ins., etc.‡	190,885	195,870
Fixed assets*	6,157,198	5,973,452
Bond disc., exp.	48,121	55,073
Misc.	29,742	37,177
Total assets	8,500,078	8,209,142
Accts., etc., pay.	1,619,818	1,594,141
Income taxes	154,858	133,272
Divd. pay.	35,625	35,625
Total curr. liab.	1,810,301	1,765,038
Funded debt	2,710,000	2,770,000
Def. liab.	380,165	403,497
Capital stock	1,275,000	1,275,000
Surplus	2,324,612	1,995,607
*After depr. of	5,191,987	4,860,389
‡Incl. in curr. assets in co.'s report.		
Working capital	263,831	182,532

Steel

VANADIUM - ALLOYS STEEL CANADA LTD., London, Ont., consolidated net loss for year ended June 30, 1958, was $42,862. Previous fiscal year's consolidated net profit was $32,577.

Sales dropped 16% from 1956-57, Chairman J. P. Gill and President E. P. Geary said, but gross profit margin was "slightly higher."

Company increased its inventories of raw materials and finished products. "This has increased our flexibility to meet prompt deliveries of customer requirements," company says.

A 100,000 lb. tensile testing machine was installed, to improve quality control. Additional crop shearing capacity was added to the 10 in. rolling mill.

"The last four months of our fiscal year showed slightly increased sales and a profit was made in each month," the chairman and president report. "We expect increased sales as Canadian business picks up momentum, and next year should be the best since the company was founded."

CONS. INCOME ACCOUNT

Years Ended June 30:	1958	1957
Net oper. profit	$154,936	$231,637
Less: Deprec.	130,712	127,827
Bond interest	45,000	45,000
Other interest	22,086	26,253
Net profit & surp.	▲42,862	32,577
▲Loss or deficit.		
Earnings per Share and Dividend Record:		
Earned	d$0.10	$0.08
None paid.		
Shares o/s as at June 30:		
Common, n.p.v.	430,200	430,200

CONDENSED CONS. BALANCE SHEET

As at June 30:	1958	1957
Cash	$14,609	$37,874
Accts. rec., less res.*	278,303	346,317
Inventories	1,536,140	1,319,352
Total curr. assets	1,849,052	1,703,543
Prepaid exps.	18,211	28,529
Fixed assets†	2,062,446	2,151,307
Total assets	3,929,709	3,883,379
Bank loan	425,000	410,000
Accts., etc., pay.	170,368	158,012
Due parent co.	849,876	788,040
Total curr. liab.	1,445,244	1,356,052
Funded debt	1,000,000	1,000,000
Capital stock	2,376,300	2,376,300
Less: Deficit	891,835	848,973
*After res. of	4,000	4,000
†After depr. of	565,963	435,302
‡Incl. in curr. assets in co.'s report.		
Working capital	403,808	347,491

Oil

NEW CHAMBERLAIN PETROLEUMS is planning to merge with two or three other companies with which it has been closely associated, President H. T. James says in a letter to shareholders distributed with the annual report.

Income from oil and gas sales in year ended April 30, 1958, was $29,207.

Deliveries under the first Bindloss natural gas sales contract started last November and revenue to end of the fiscal year amounted to under $25,000.

Deliveries of gas since then have increased, Mr. James says.

By July this year, maximum quantities under the first Bindloss contract were being delivered and sales had started under the North Bindloss contract with **Trans-Canada.**

Production from the Buffalo-Jenner-Atlee area is scheduled to start this fall under a pooling arrangement whereby the company would have 7.9% of the income initially.

There is a wide spread between minimum and maximum deliveries allowed under the contract, Mr. James says. However, he anticipates that for January, 1959, minimum gross income after royalty would be $7,150 and maximum $11,500.

Gross income after royalty for July this year was $8,477 and $8,151 from the Bindloss and North Bindloss contracts respectively.

CONDENSED BALANCE SHEET

As at Apr. 30:	1958	1957
Cash & deposits	$87,038	$240,247
Accts. rec.	85,816	41,672
Short-term inv.	150,000	25,386
Inventory	4,588	.....
Total curr. assets	327,443	307,305
Invests. in & adv. to controlled cos.	1,058,066	1,096,766
Misc. invests.	63,315	63,195
Adv. under contractual oblig.	168,487	142,870
Pet. & nat. gas ints.	360,728	357,853
Well costs	177,396	151,103
Bldgs. & equip.†	73,993	43,176
Explor. & preprod. exps., net	1,161,201	960,203
Total assets	3,390,628	3,124,373
Due bank	.....	150,000
Accts., etc., pay.	42,286	62,031
Total curr. liabs.	42,286	213,031
Capital stock	1,450,000	1,250,000
Capital surplus	1,898,342	1,661,342
†After deprec. of	11,817	4,355
Working capital	285,156	94,174

The company's activities are still in the exploratory and development stage, and exploration and preproduction expenditures have been capitalized. For the year ended Apr. 30, 1958, such expenditures totaled $200,998. Income from oil sales less royalties was $29,207.

IDB Lending Down in '58

MONTREAL (Staff) — Loans and investments of **Industrial Development Bank** Aug. 30, 1958, were $87.8 million, 2% greater than $85.8 million July 31.

Disbursements during October-August (first 11 months of the fiscal year) were $24.1 million, compared with $28.3 million in the corresponding 1956-57. Repayments at $11.1 million compare with $10.2 million.

August disbursements at $3.1 million compare with $2.5 million in August last year while repayments at $1 million were slightly lower than $1.3 million in 1957.

Here is the comparative statement of assets and liabilities:

	1958 Aug. 30	1958 July 31
Assets:	$	$
Cash on hand & in bks.	30,984	59,504
Loans & invests.	87,781,611	85,840,948
Prop. held for sale	135,509	135,890
Guar. & u/w agrees.	21,483	21,861
Other	1,200,731	1,245,956
Total	89,170,318	87,304,159
Liabilities:		
Cash paid-up	25,000,000	25,000,000
Reserve fund	10,040,824	10,040,674
Reserve for losses	1,100,000	1,100,000
Bonds & debs. o/s	50,100,000	48,500,000
Liab. under guar. & u/w agrees.	21,483	21,861
Other	2,908,211	2,641,674
Total	89,170,318	87,304,159

NEW INCINERATOR
From Our Own Correspondent

HALIFAX — **Foundation Maritime Ltd.**, has been awarded a $687,230 contract for construction of a new city incinerator. The 400-ton incinerator, to be completed by the end of 1959, will be located on the shore of Bedford Basin.

Economist Forecasts Record Sales Volume by End 1958

MONTREAL (Staff)—A record volume of Canadian production and sales in the final quarter of this year has been forecast by **Du Pont Co. of Canada** economist R. B. MacPherson.

Speaking at a meeting of the Montreal Chapter of the American Materials Handling Society, MacPherson said the business recovery which started in the spring had now gathered sufficient strength to ensure record production and sales levels in the last three months of the year.

Chief supporting element is consumer demand.

"As a result of Canada's growth in population there are now 500,000 more customers than a year ago and purchasing power has been augmented by rising incomes.

"In addition, the economy will be stimulated in the short term at least by large government outlays which exceeded revenues by a sizeable amount.

"Prices, too, have risen, but not by an amount sufficient, it is believed, to interfere seriously with Christmas buying.

The brake on the economy exerted by inventory liquidation early this year has eased and it now appears industry is ordering more freely.

He warns, however, Canada has some serious economic difficulties to overcome "before it can be stated with certainty that the downturn of the past year has been reversed."

"Many of the raw materials which Canada sells abroad face intensive competition that arises when supply exceeds demand, and there is no doubt that world stocks of primary products will have an adverse effect on Canada during most of next year."

Canadians, he said, should place less reliance on construction projects—such as the now almost completed St. Lawrence Seaway—as a support under the nation's economy.

Economic progress in both Canada and the U. S. could also be retarded by labor disturbances.

"On balance it now looks as though gross national product for 1959 will be higher than in 1958 which, despite the setbacks experienced, has been one of the best years in our history," MacPherson concluded.

Seaway Valley Sets Up Own Economic Group

MONTREAL (Staff) — Seaway Valley is setting up its own economic development association.

Communities in Ontario, Quebec and the U. S. along the St. Lawrence River have set up a steering committee to recommend details.

The area foresees fast economic progress based on new St. Lawrence Seaway power and transportation.

The steering committee is headed jointly by Mayor L. G. Lavigne of Cornwall and Paul Crouch, president of St. Lawrence Valley Association of Massena, N.Y.

Other members:

Chester Malley, New York State department of commerce, Albany; Roger Hansen, Massena, N.Y., Chamber of Commerce; Joel M. Howard, St. Lawrence Valley Association, Canton, N.Y.; Alex Gilbert, Cornwall Board of Trade; Ald. Mitchell Bourke, chairman of the Industrial Commission of Dorval, Que.; and W. G. Coventry, industrial commissioner of Cornwall.

The Pretty Housewife? Model Sheila Billing. Canadian Stage and TV Star

NS-5

Kitchens are for cooking, Sheila!

But roots from your favorite shade tree plugged the house drains tight... so it's bath in the kitchen tonight! Filling that tub was just the beginning of your problem. With the drain line being dug up, a costly proposition, it's out the back door and down the back steps for that tub of water! If your builder had used Plain End Vitrified Clay Pipe, Fittings and Root-Proof Couplings you'd have been sure of trouble-free house drains, forever. They're root-proof, by actual test.

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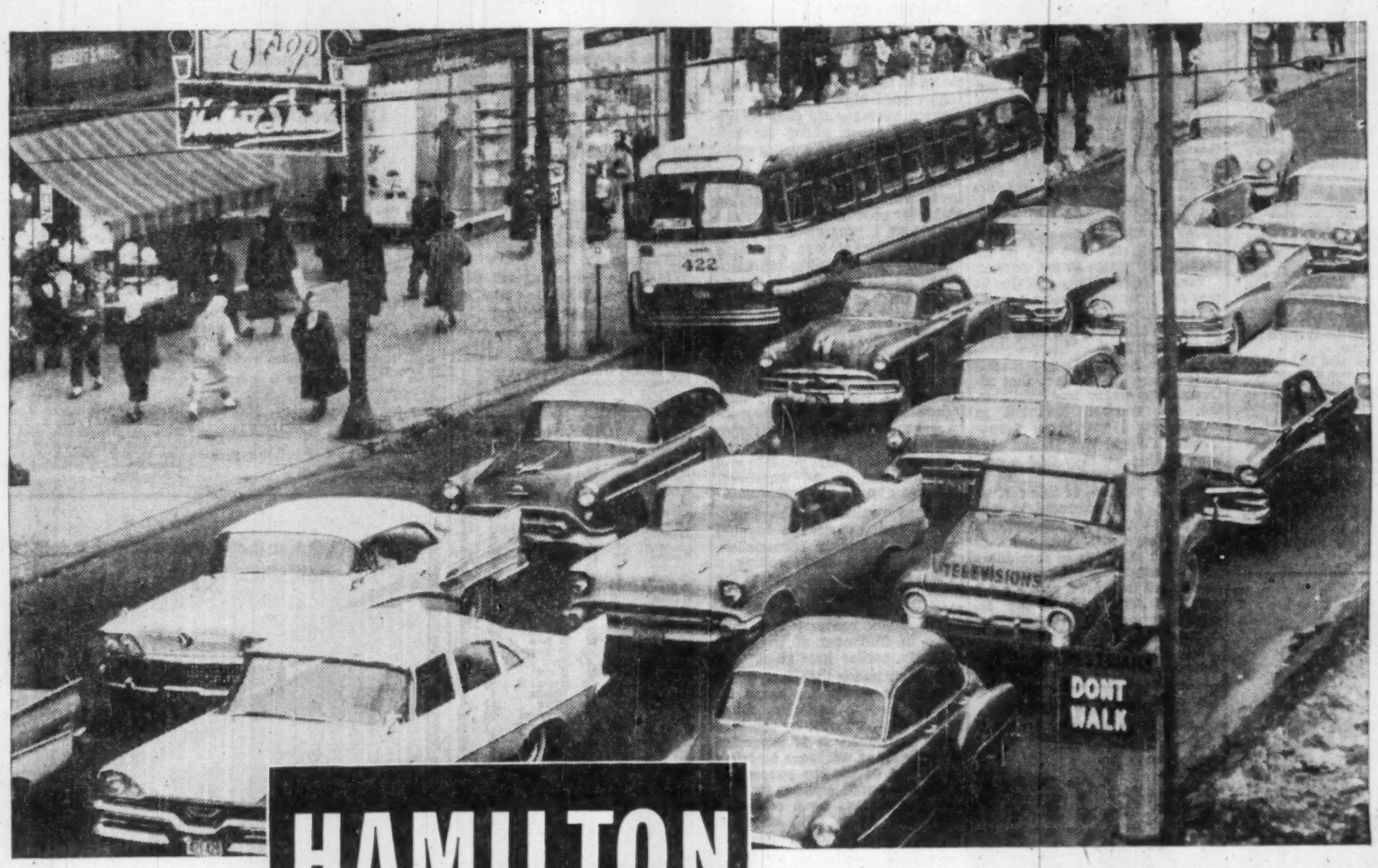
BREWERY SOLD
From Our Own Correspondent

SAINT JOHN—**Oland and Son Ltd.**, Halifax, has purchased the Saint John brewery of **Red Ball Brewery Ltd.** The Red Ball label product is to be discontinued. The Saint John plant — one of two breweries in the province — will turn out products under names already in use in Nova Scotia — Schooner and Export.



HAMILTON

In keeping with rising family incomes, Metropolitan Hamiltonians spent $47,022,000 on automotive equipment, according to latest Sales Management figures.

METROPOLITAN HAMILTON PER HOUSEHOLD INCOME 3RD HIGHEST IN CANADA

Latest Sales Management figures place the per household income in Metropolitan Hamilton at $6,265.00—***now 3rd highest in Canada.***
Record high bank clearings are another indication of Hamilton's growing prosperity. Hamilton Clearing House figures set an all-time record in July of 1957 ($151,968,193) and topped $10 million a day, twice in one week.

Further indication of Hamilton's growing prosperity is in its unprecedented industrial expansion. This year, for example, industrial expansion will include: a $250 million Ontario Hydro Steam generating station on Hamilton's harbour front; a $20 million harbour expansion program to be completed by 1961; and the completion of a $28 million Bloom Mill as part of a continued expansion program at the Steel Company of Canada, the nation's largest steel producer.
Currently planned industrial expansion over the next few years will total over $300 millions.
The effects of this expansion will be felt in the form of more employment and added buying power.

Sell this wealthy market with the only newspaper that provides effective, complete coverage of Hamilton—THE HAMILTON SPECTATOR.

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*D.B.S. 1956

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Market Comment

What stocks and bonds are doing and what prominent observers say

The Dow-Jones industrial average zoomed through its 1956 high this week under increasing share volume in the big New York market. The rail average, however, has considerable distance yet to go to confirm finally the resumed bull market under Dow theory.

There is little doubt that desperate short covering has been a factor in the recent push to new peak market levels. In early August short interests had risen to all-time high levels.

Although buying representation has widened considerably over last several weeks the major purchasing, continues to come from the big investment trusts, the mutual and pension funds. Back of most of the buying is still the most compelling reason for buying stocks—the belief that the dollar is in for a further slump in real purchasing power.

With a few noteworthy exceptions—a couple of major interlisteds and the major oil and gas pipelines—Canadian stocks have not participated actively in the current market rise.

* * *

J. F. CLARK, Houston & Co. (Toronto)

The Canadian industrial market has firmed conspicuously under the influence of a strong inflationary market in New York where, for the first time in nearly two and one half years, the industrial stock averages have recorded new all-time highs. Short covering appears to have been a factor in the recent strength in New York.

With the averages at such high levels we believe that caution should be exercised in extending commitments at this time.

Some profit taking appears in order.

The pulp and paper stocks and some golds have been firm as a result of the decline in the premium on the Canadian dollar.

Gas stocks, particularly the shares of distribution and transmission companies, have been under accumulation in anticipation of a favorable report by the Borden Commission on Energy which is expected in October.

The speculative mines and oils have been slow in responding to the strength in the investment quality stocks but, with confidence in the business outlook being rapidly restored, it appears only a matter of time before a strong speculative market starts to develop.

* * *

W. D. BENSON, R. Moat & Co. (Montreal)

As this comment is in process of preparation, the clouds of war hang like a pall in the Far East, and should they break into all-out conflict, it is safe to say in this atomic age that they could encompass not an isolated continent or a single area, but virtually all corners of the globe.

What the outcome will be remains the number one conundrum of the day, and one can do no better than guess at the answer.

Tragic indeed is the fact that in this enlightened age some dictator in a distant land could plunge us into World War III, with little or no warning.

Perhaps, however, one may find some solace in the fact that although the means was available, the gas warfare invented in World War I was never perpetrated in World War II, and perhaps in this we may find a pattern not devoid of hope.

For the purpose of this discussion then, I am disposed to submit this thought, as a reasonable assumption "with the risks so great and the odds so forbidding to all concerned some means will be divined to avert a catastrophic conflict," such will be my assumption in the framing of these comments.

On the continent of North America there is good and sound reason for satisfaction as to the way in which the economy has withstood the effects of the sharpest and most far-reaching recession since the termination of World War II, while the readjustment has been substantial, at no time has the public given way to fear or panic.

True, purchases of durable goods by the public and by industry have contracted, and reduction of sales in many lines has caused an accumulation of inventories forcing liquidation in that field, but under the creeping stimulus of wage inflation the spending power of the masses has been maintained in the face of increased unemployment, and living standards have been affected but little.

In other words, the built-in stabilizers have worked, and have succeeded in preventing the development of a chain reaction which could have snowballed us into a serious depression.

However, while there is accumulating evidence that the economic tide has turned and that the lows of the recession have been witnessed, it would be unwise and unrealistic to anticipate an early return to outright boom conditions. In fact, for the time being it is safe to say that that type of birthday party is over, and will return only when the public resume their purchases of durable goods on an increasing scale, and industry once more with the bait of expanding demand before its eyes, resumes capital expenditures for plant expansion on a rising scale.

And now what of the market? The New York Dow Jones industrial average on Monday, Sept. 15 closed at 523.40 to establish an all-time record high, and other recognized averages are deep within their top areas, under the tremendous force of idle funds seeking employment, and the insatiable appetite of mutual funds, investment trusts, and pension plans, for securities of investment calibre on a progressive scale in disregard of earnings variations but bent on obtaining representation on an average basis.

And what of the future? If one can visualize a psychological development of sufficien: magnitude to cause the present buyers of investment trust shares and listed securities, to turn in their tracks and run for cover, then indeed one would have discovered a basis to anticipate a major market collapse. However, such a development while possible and therefore not to be dismissed, does not appear too probable.

Rather would I anticipate during the period of normal seasonal market contraction (September-October) and year-end selling, a period of irregular waiting, as the financial barometer (the stock market) watches to see whether the economic recovery is to continue in fulfilment of the stock market's earlier prediction.

In other words therefore, while this is the season for sharp reactions and irregularity, when profits can normally be accepted with confidence, **it is suggested that phases of weakness be taken advantage of for the purpose of acquiring sound equities in suitable proportions on a conservative scale down, with emphasis on portfolio upgrading.**

(Advertisement)

My Smartest Investment of all was the Five Bucks

From a Barron's reader

Like many other men, I was a hit-or-miss investor—who too often missed. One day I saw a Barron's ad in the paper, and it made sense. So I sent in $5 for a trial subscription.

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And my smartest investment of all was the five bucks I paid for Barron's itself.

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B.C.'s Fabulous Salmon Run Nets $68 Million Harvest

From Our Own Correspondent

VANCOUVER — British Columbia's fishermen are happily cutting up a $31 million jackpot, the cash on the barrel-head for their fabulous catches of salmon in a few weeks of fishing.

And the catch is worth another $37 million to the canning companies which are processing the pack, believed to be the largest in history.

The industry hit the jackpot when the great Adams River sockeye salmon run, on the peak year of its four-year cycle, stopped milling about off the coast of Vancouver Island and headed for the Fraser River.

In a few hectic days, Canadian fishermen caught six million fish and when the U. S. boats finish their season they will have netted also that many.

Every day the Canadians were allowed to fish in the Straits of Georgia and Juan de Fuca there were stories of fabulous catches.

Seven Indians aboard an old seine boat caught $140,000 worth of sockeye in a few days.

Record single haul was more than 14,000 fish worth about $24,000 for a few hours work.

Single fishermen aboard their small gillnetters were making up to $500 a day.

Bill Roberts, 37, a fisherman since he was a boy, took the seiner Otard into the strait.

As skipper under the prevailing share bases he made $30,000 in nine days fishing.

He took his wife Lillian along as cook. Her share was $10,000.

His five other crewmen each got $10,000 for a few days hard work.

One New Westminster fisherman was heading for a fishing spot in his 22-foot gillnetter when it sprung a leak. A big seine boat overhauled him and took him aboard. They were short one man and he immediately signed on.

When the seine captain offered to take his leaking boat in tow the fisherman said 'no'.

So, boat, engine, expensive net and supplies foundered because the fisherman knew he couldn't miss an opportunity like the job just handed him.

During the short season fishermen worked every available hour. The runs were fabulous and the packing boats waddled back to the canneries virtually awash.

James Sinclair, former federal minister of fisheries and now president of the Fisheries Association of B. C., said the million-case (96 half-pound cans or 48 pound cans) pack will be sold during the next two years.

Canada and the U. K. will take the bulk of it and an ambitious advertising campaign is being prepared.

He said the runs will continue to grow and end forever the embarrassing situation whereby B. C., with the world's finest salmon rivers, was forced to import Japanese canned salmon.

Conservation measures and a regulatory North Pacific Sockeye Salmon Commission have brought the runs back to their once vast size.

The $31 million catch, composed of $21 million sockeye for canning, $7 million other types of salmon and $3 million for the fresh market, **has brought new vigor into the industry which has been plagued by strikes, low prices, tough foreign competition.**

FIRST IN CANADA

The Council of Profit Sharing Industries will hold its first annual conference outside the U. S. at the Royal York Hotel, Toronto, Oct. 14-15.

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$20.00	$21.43	$19.25
Hogs	26.00	27.00	33.33
Copper, lb.	.26½	.26½	.26½
Coffee, lb.	.43¼	.43¾	.51½
Sugar, raw, lb.	.0585	.0585	.0560
Hides	.15	.15	.15½
Weekly Commodity Indices			
Dow Jones	152.18	152.23	158.84
U. S. Labor	119.0	118.8	118.1
Monthly Commodity Indices			
Canada (D.B.S.)			
Retail (Aug.)†	125.2	124.7	122.6
W'sale (July)	227.0	227.4	228.2
C. F'm Pro. (July)	219.4	221.1	218.3
U. S. (May)	119.5	▪119.3	117.1
Gt. Brit. (Apr.)▲	141.1	141.2	138.8

Note: †Cost-of-Living Index Revised to the Base of 1949=100.

Base of price quotations is as follows: Cattle-Steers, good up to 1,000 lb., to price Toronto. Copper-electrotypes, New York. Coffee No. 4 Santos. Spot Raw Sugar 96 degrees centrifugal c.i.f. Gt. Britain Index Revised. Base year 1949.

▲All mfg. products other than fuel, food and tobacco.

▪Revised.

Unlisted Mines & Oils

(By Brokers Dealers' Assoc. of Ont.)

Approximate quotations 3.30 p.m., Sept. 15, subject to confirmation and change. An asterisk (*) indicates an increase in price; a dagger (†) a decrease in price.

	Bid	Ask		Bid	Ask
Abbican	13	15	Mat Can	5	7
Abeta	5½	6¼	Maree	1¼	2¼
Aconic	49	55	Mate Yel	5	7
do vt	40	50	McCuaig	4¼	6
Advance	6¼	7¼	McFinly	5¼	6¼
Alexand	†6¼	7¼	Miles RL	3	5
Ama Kir	4	5	Millkirk	—	8
Anabar	2	4	Mindus	70	85
Anamq	2¼	3¼	Mirado	9	11
Arctic	2	3	Mt Keno	1	2
Anuwon	7	9	Montco	3	5
Barima	13	15	Murk F	13	18
Beacon	4	5	Murmac	3	4
Belfast	3	3½	Murry M	16	18
B Jck P	2¼	4	Nasco	*3	4
B Grss	2¼	3½	Nat Nw	18	20
B McD	6	8	Nw Aug	4	5
Bour C	1	3	N Cmp	53	56
Brace	†4	6	Nw Met	5	7
Braminco	8	15	N Isco	4	6
Bright	*9	3½	N Redwd	4	5
Brilund	3	5	New Wal	1	2
Bruce P	11	13	Nickel	1¼	2¼
Brunette	4¼	5¼	Nickel O	3¼	4¼
Camdeck	3	4	Nicoba	4	6
Cam'ren	7	8	Nipir	13¼	14
Camray	1	3	Norbeau	50	60
C Rd C	22¼	24	Norcourt	¼	1¼
C All M	2	4	Norford	1	3
Cn Man	9	11	Normar	1	3
Cnt Hill	*6¼	8¼	Ocean	90	100
Caral	—	20	Oklend	4¼	5¼
Chellew	*7	9	Orofino	4	5
Clinger	4¼	5¼	Ortona	1¼	3
Clix	3¼	5	Pacemkr	13	16
Columbr	1¼	2¼	Panther	95	105
Columbin	¼	1¼	Parmlee	35	40
Comstock	2	4	Pascalis	13	15
Con Cop	*18	19	Pax nw	25	35
Con Hrp	5	6	Payne	—	2
Cn Fred	40	45	Peach	1025	1100
Crack S	5	7	Pelangio	1¼	3
Cordell	3	6	Pickering	7	8
C Vauze	*51	54	Picton	5	7
Craibe	26	28	Pin P	1050	1100
Croydon	1	3	Pitchvn	*12	13
Derlac	4	5	Quej	4	6
Desmont	1	2	Quest	1	3
Despina	2	3	Raglan	†17	19
Destrad	1	2	Rahill	†7	9
Dom Ex	*12	14	Rand M	12	14
Dunvegn	3¼	5	Red Brk	2	4
Durham	2	3	Redcon	10	12
East Lun	1	3	Redruth	3	5
Echo Ind	1	3	Rhyolit	¼	1¼
E Bon	2	3	Richgrp	4	5
Farcroft	3	4	Rio Ti	155	160
Flicka	3	4	Rob RL	18	20
Forty F	40	60	Romar	†4	7
Gah con	4	5	Rugged	2¼	3¼
Gateway	4	6	Russet	5	7
Glenbrk	†5	6	Salmita	9	11
Glencona	2	2¼	Shield	20	25
Glen Ech	†2	4	Sheldon	9	11
G Harket	7	10	Sladen Q	60	65
Gord Lab	2	3	S My ex	14	17
Gd Maq	9	11	State By	2	4
Golduke	1	3	Snow L	3	4
Gov Gold	3	5	Starlight	3¼	5
Hornfault	7¼	8¼	Sun Bear	1¼	2¼
Hot Min	3	5	Thorner	6	8
Hubt L	*9	11	Tresdor	21	23
Hud U	—	16	Tower	3	6
Hucamp	5	7	Ur Rdge	14	16
Indepen	8¼	9¼	Un Pr	*222	225
Jamaica	6	10	Ungay	4	5
Jean Lk	6	8	Viking	6	8
Jerome	6	9	Wadge	2	4
Kamiac	10	12	Wesley	5	6
KP Mng	6	8	Wst RL	4	5
Kenda P	2	3	W Wasa	6	7
Kenog	5	7	Y David	17	19
Laronge	4	6	**OILS**		
Lrndona	2	4	Brobar	40	45
Laroma	3	5	B C Oil	3¼	3¼
Larum	5	7	C Delhi	8¼	8¼
L Expan	*9	10	C Sup	1900	1950
Lake R	5	8	GS Grs	*42	45
Lassie	12	14	Harvest	25	30
Lynwatn	5	7	Kroy	*42	43
Lun Ec	20	21	Long Pt	80	83
Magoma	2	4	N Surp	175	185
Main O	†21	23	O Smky	3	5
Mal RL	5¼	7	Paige Pe	7	10
Manecho	6	8	Place	34	36
Mar Bd	6	8	Sbmrn	†128	132

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)
Sept. 16, 1958.

Public Utility Issues:	Int. Rate %	Due	Bid	Ask.	Prev. Week Bid
Alg. Cen. H.B.R.	5	'59	145	...	144
Bell Telephone	5	'72	99	...	97½
Bowater Pr. Co.	3¼	'80	84	86	85¼
Brazilian Traction L. & P.	4½	'70	80½	83¼	80½
B. C. Electric	3½	'67	90	...	90
Do.	3½	'80	85	87	85
Do.	5½	'77	100½	102½	100½
B. C. Telephone	5	'82	96	98	96½
Calgary Pwr.	3½	'72	87	...	87
Consumers Gas	5½	'77	104	...	104
Gatineau Pr. D	3¼	'70	88½	91½	88¼
Gt. Lakes Pr.	5½	'77	109½	...	108
Maclaren-Quebec Power	3	'69	88	90	88
Mexican L. & P.	5	'75	85½	...	85
Nat. Lt. & Pr.	4½	'61	97	99	97
North. Que. Pr.	4½	'67	92	...	92
N. Ont. Nat. G.	5¼	'82	84	86	84
Power Corp.	5½	'77	99	101	99
Que. Nat. Gas	5½	'85	140	142	135
Que. Tele.	6	'77	120	...	120
St. Maurice Pr.	3¼	'70	88	90	88
Shaw. W. & Pr.	4½	'76	97½	99½	97½
Tr. Can. P. L.	5.85	'87	154	156	152
W'coast T. Deb.	5½	'88	84	85	83
Industrial Issues:					
Abitibi Pr. P.	6½	'77	105	...	104
Do.	4	'74	91	93	91
Acadia-Atlantic Sugar	4	'74	87	...	87
Alum. of Can.	4½	'73	94½	96½	94
Bathurst P. & P.	5½	'73	96	...	96
Bicroft Uranium	5	'62	95	97	95
Can. Bread	4½	'67	86	88	86
Can. Cement	5½	'76	99	102	99½
Can. Steamship	4	'66	92	...	92
Cdn. Brew.	4½	'81	92	93½	93
Cdn. Canners	3½	'70	86	89	86
Cdn. Celanese	3	'62	92	...	92
Cdn. Chem. Co.	5½	'71	83	86	83
Cdn. Industries (1954) Ltd.	3½	'74	88	90	88
Cdn. Oil	4	'76	89	91	89
CPR	3½	'72	87	89	87
Can-Met	5½	'62	86	88	85
Cockshutt F. Eq.	4½	'65	86	...	86
Columbia Cell.	5	'68	83	88	83
Cons. Denison	5	'62	97	99	97
Cree Oil	5	'66	105	...	105
Dom. Fdries.&S.	4½	'69	95	97	95
Dom. Stores	5½	'76	101	103	101
Dryden Paper	4½	'74	92	...	92
T. Eaton Acc.	4½	'74	93	97	95
T. Eaton Realty	5½	'76	99	101	99
E. B. Eddy	4	'74	87	89	87
Elk Falls Co.	5	'75	92	94	92
Gen. Mot. Acc.	4½	'69	96	98	96
Gt. Lakes Pap.	5	'76	96	98	96
Gunnar Mines	5	'60	100	102	100
Hud. Bay O.&G.	4	'75	87	90	87
Husky Oil	5	'69	88	90	88½
Imp. Tobacco	3	'70	86	88	87
Imp. Oil	3	'69	88	91	89
Ind. Accept.	6	'77	103	105	103
Loblaw Groc.	6	'77	103	104	102
Lorado Uranium	6	'62	86	88	86
Maple L. M.	3½	'63	88	...	88
Massey-Ferg.	4½	'76	86	89	85
Northspan	5½	'63	88	90	87½
Ont. Jockey Cl.	5½	'72	90	93	90
Phillips Elec.	5	'73	92	...	92
Price Bros.	3½	'56	90	...	90
Pronto Uranium	5	'60	100	...	100
Regent Refining	4½	'75	92	94	92
St. Law. Corp.	5	'72	96	98	96
Simpsons Ltd.	4½	'73	97	99	97
Simpsons-Sears	4½	'79	94	96	94
Steel of Can.	3½	'67	90	93	90
Traders Fin.	4½	'71	93	95	93
Union Accept.	5½	'63	95	98	96
Un Grain Gr.	3½	'70	83	86	83
Weston, Geo.	4½	'71	94	97	94
CONVERTIBLE ISSUES					
Abitibi P. & P.	4½	'66	97	99	97
Atlas Steels	5	'67	103	...	102
Braz. Trac. L&P	4½	'71	75	77	75
CPR	3½	'66	90	92	90
Do.	4	'69	96	98	96
Cockshutt F. Eq.	5	'68	89	93	89
Home Oil	3½	'71	116	120	116
Shaw. W. & P.	5½	'72	114	117	114
Westcoast T.	5½	'88	102	104	100
Loblaw Groc.	4½	'76	131	...	131
N. Concord D.	5½	'65	85	...	85
Phillips Elect.	5½	'70	92	...	92
Silverwood Dair.	5½	'72	98	...	98
Triad Oils	4½	'71	84	8½	85

Municipal Bonds

Sept. 16, 1958.

Calgary	3½	'69	85	87	5.05
Edmonton	3½	'69	84½	86½	5.05
Halifax	3½	'66	89	91	4.90
Hamilton	3	'67	85	87	4.80
Metro. Tor.	5	'77	97½	99½	4.90
Metro. Tor.	4¾	'78	95½	97½	4.85
Montreal	5¼	'78	98	100	5.25
Moose Jaw	3½	'60	95	96½	5.15
Ottawa	3¼	'68	87	89¼	4.60
Regina	3	'64	87¼	88¾	5.05
Saint John	3½	'65	90	91¾	4.90
Toronto	3	'68	84½	86½	4.70
Vancouver	3¾	'69	87½	89½	5.00
Victoria	3¼	'68	88½	90	5.00
Windsor	3½	'75	78	81	5.15
Winnipeg	3	'69	82½	84	4.85

Unlisted Mines & Oils

(Compiled from Quotations by G. E. Leslie & Co., Montreal.)
Sept. 15, 1958.

Stock	Bid	Off'r	Stock	Bid	Off'r
Absam	—	10	Martin Brd	6	8
Aconic	50	60	Murray Mg	16	18
Aconic vtc	40	50	Miller Copp	8	10
Amer. Ch.	25	30	Natl Mal	15	20
Arnora	1	3	Nipiron	14	17
Ass. Devp.	4	6	Norvex	60	70
Atlas Chib	6	8	Norbeau	45	55
Bald Mtn	7	9	Nordeau	20	30
Baraca	10	15	Okiend	4	6
Belmont	5	10	Pascalis	10	14
Bros'n Ch.	—	15	Provincial	—	4
Big Nell	10	15	Quedon	—	15
Cent Mg	1.75	2.50	Quejo	4	6
Dadson	10	15	Rand Mal	8	11
Elwood Mg	—	22	Roberval	—	70
Flicka	2	4	St Jude	—	25
Frankstn	43	48	Scott Clib	5	7
Garland	7	12	Selby Mng	5	8
Gibson	12	—	St Roberts	—	30
Glencona	1¼	2¼	Starlight	3	5
Hastings	58	61	Tamara	—	15
Independ	8	10	Tarpoint	1	2
Kenmac	5	10	Valmont	47	57
Lun-Echo	20	24	Wm Leys	6	8
Lyndvue	12	17	Yng Dave	16	19
Main Oka	12	15			

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)
Sept. 16, 1958.

%	Due	Bid	Asked
Govt. of Can. Bonds:			
3	Jan. 1956/59	101¾	102¼
3	June 1957/60	101¼	102¼
3	Feb. 1959/62	100¼	101¼
3	Oct. 1959/63	100¼	101¼
3	Sept. 1961/66	99¼	100¼
3	Perpetual	79½	81
2½	June 1967/68	92¾	93¾
3¼	Jan. 1975/78	92¼	93¼
3¼	June 1974/76	89	90¼
3½	Mar. 1996/98	90¾	91¼
3	Oct. 1958	100	100¼
2½	July 1959	99¼	100¼
3	Oct. 1959	100	100¼
3	Dec. 1960	99¼	100¼
3	May 1961	98¼	100¼
3½	May 1970	95¼	96¼
3¼	Oct. 1979	89¼	89¾
Cdn. Nat. Railways:			
3	Jan. 1958/59	100	100¼
3	Jan. 1961/66	94	95¼
2¾	Sept. 1964/69	90¼	91¼
2½	Feb. 1961/63	96	97
2¾	Jan. 1964/67	92	93¼
3¾	Feb. 1972/74	93¼	94¼
4	Feb. 1981	92¼	93¼
Int. Bank of Reconstruct. & Development:			
3¼	Apr. 1965	92¼	94¼
3¼	June 1969	92	94
C'wealth of Australia:			
4	Nov. 1970	89	91
Prov. Govt. Bonds			
Alberta Tel. Gtd.			
4¼	July 1976/78	92¼	94¼
British Columbia:			
3	June 1964	91¼	93¼
Pac Gt. East Rly. Gtd.			
4½	Dec. 1987	95	97
Man. Hydro:			
5	July 1975/77	99	101¼
Manitoba:			
3	Oct. 1965	91	93
Nova Scotia:			
4½	Dec. 1975/77	98	100
5	June 1975/77	99	101
New Brunswick:			
4½	Oct. 1968/71	96	98
5	Oct. 1975/77	99	101
Ontario:			
4½	Dec. 1962/63	100	101¼
4	Jan. 1966/68	96	97¼
4½	Dec. 1974/76	93	97
Ont. Hydro:			
4½	Nov. 1964/67	97¼	98¼
4	Apr. 1966/68	96	97¼
3	Nov. 1967/68	88¼	90¼
4½	Oct. 1972/74	95	97
4½	Aug. 1972/73	98	99¼
5	Apr. 1974/77	99	101
3¼	Oct. 1974/79	86¼	88¼
Quebec:			
4½	Jan. 1974/77	99	101
Quebec Hydro Commission:			
5	Nov. 1980/82	100¼	102¼
Saskatchewan:			
4½	Nov. 1974/76	94¼	96¼
3½	Oct. 1962/65	95	97

Sales by Municipalities, Provincial and Dominion Government. Offerings of Corporation and Securities.

DOMINION

Government of Canada Treasury Bills — Due Nov. 28, 1958, $115,000,000. Issued Aug. 28, 1958. Sold at $99.631 to yield 1.49%.

Government of Canada Treasury Bills — Due Dec. 5, 1958, $115,000,000. Issued Sept. 4, 1958. Sold at $99.576 to yield 1.71%.

MUNICIPAL

Board of Trustees of Roman Catholic Separate School Section No. 1, Township of Anderdon, Ont.—6% debentures, due Aug. 15, 1959-78, $20,000. Issued Aug. 15, 1958. Bought privately by Isard, Robertson & Co. Ltd., and Burns, Bros. & Denton Ltd.

Record of Financing

Roman Catholic Separate School Board of Sarnia, Ont. — 5½% debentures, due Sept. 15, 1959-78, $280,000. Issued Aug. 21, 1958. Sold at $97.50 to J. F. Simard & Co. Ltd.

School Commission for Mun. of Montrougeau, Que. — 4½% and 5% debentures, due Sept. 1, 1959-68-73, $48,000. Issued Aug. 25, 1958. Sold at $95.23 to Gaston Laurent, Inc., Banque Provinciale du Canada and Belanger, Inc.

Protestant School Trustees for Mun. of Ville de Salaberry-De Valleyfield, Que. — 4% and 5% debentures, due June 1, 1959-63-78, $191,000. Issued Aug. 25, 1958. Sold at $97.67 to Rene-T. Leclerc, Inc.

Town of Parkhill, Ont. — 5¼% debentures, due Sept. 15, 1959-68, $40,000. Issued Aug. 27, 1958. Sold at $98.31 to Wood, Gundy & Co. Ltd. and Canadian Bank of Commerce.

Village of Cannington, Ont. — 5% debentures, due Oct. 15, 1959-78, $24,000. Issued Aug. 29, 1958. Sold at $97.75 to Victoria & Grey Trusts Co. (Cannington).

District of West Vancouver, B.C. — 5% debentures, due Sept. 1, 1959-78, $360,000. Issued Sept. 2, 1958. Sold at $95.38 to Pemberton Securities Ltd., Royal Bank of Canada, Equitable Securities Canada Ltd. and Odlum Brown Investments Ltd.

CORPORATE

Holt, Renfrew & Co., Ltd. — 5½% serial debentures and 6% sinking fund debentures, due Oct. 1, 1959-68 and Oct. 1, 1978, $2,500,000. Issued Aug. 29, 1958. Offered at $100.00 and accrued interest to yield 6% by a syndicate of dealers headed by Wood, Gundy & Co. Ltd., Dominion Securities Corp. Ltd. and Greenshields & Co. Inc.

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H & D makes all styles of corrugated boxes. Most of them are slotted boxes—standard shippers for most industries. Made with practically no waste of material on high speed equipment, this one-piece design is economical to manufacture.

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AUTHORITY ON PACKAGING
TORONTO 3, ONTARIO

PAPER MILLS in Toronto, Trenton, Ont.
BOX FACTORIES in Chatham, Etobicoke, St. Marys, Toronto, Ont., Montreal, Que., Winnipeg, Man., Calgary, Alta.
SUBSIDIARIES with Factories in Peterborough, Leaside, Ont.
SALES OFFICES in Chatham, Etobicoke, Hamilton, Kitchener, London, Leaside, Ottawa, Peterborough, Toronto, Windsor, Ont., Granby, Montreal, Que., Winnipeg, Man., Calgary, Edmonton, Alta., Regina, Saskatoon, Sask.
SALES AGENTS in Fort William, Ont., Halifax, N. S., Moncton, N. B., Quebec, Que., St. John's, Nfld., Vancouver, B. C.

DIVIDEND NOTICES

THE PREMIER TRUST COMPANY

QUARTERLY DIVIDEND

A dividend of $2.00 per share for the current quarter, being at the rate of 8% per annum, has been declared on the paid capital stock of the company, payable on October 1, 1958

to shareholders of record, at the close of business on September 16, 1958.

N. S. Watt,
Secretary.

Toronto,
September 5, 1958.

HIRAM WALKER-GOODERHAM & WORTS, Limited

DIVIDEND NOTICE

A quarterly dividend of 35 cents a share has been declared on the outstanding no par value Common stock of this Company, payable Wednesday, October 15, 1958, to shareholders of record at the close of business on Tuesday, September 23, 1958.

By Order of the Board.

A. H. STUART,
Secretary

Walkerville, Canada.
September 11, 1958.

THE SHERWIN-WILLIAMS COMPANY of Canada, Limited

Notice is hereby given that the one hundred and eighty-ninth quarterly dividend of one and three-quarters per cent. (1¾%) on the outstanding 6% Cumulative Redeemable Class A Preference Shares and of 12½c per share on the outstanding 50c Cumulative Convertible Class B Preference Shares of the company has been declared payable October 1, 1958, to shareholders of record at the close of business on the 18th day of September, 1958.

By Order of the Board.

A. D. HALL,
Secretary-Treasurer.

Brantford, Ontario,
September 15, 1958.

FAWCETT ENAMEL & HEATING PRODUCTS LIMITED

DIVIDEND NOTICE

On September 4, 1958, the Directors of Enamel & Heating Products Limited, Sackville, N.B., declared a Quarterly Dividend of 10c per share on the Class "A" Capital Stock of the Company, payable October 31, 1958, to shareholders as of record September 30, 1958.

A. R. FRENCH,
Secretary-Treasurer.

SUPERTEST PETROLEUM CORPORATION, LIMITED

NOTICE OF DIVIDEND

NOTICE is hereby given that a quarterly dividend of $1.25 per share upon the outstanding 5% cumulative redeemable sinking fund preference shares of the par value of $100 each in the capital stock of the Company has been declared payable on October 15th, 1958, to shareholders of record at the close of business September 19th, 1958, such dividend being at the rate of 5% per annum for the period from July 15th, 1958, to October 15th, 1958.

BY ORDER OF THE BOARD.

R. W. MITCHELL,
Secretary.

London, Ontario,
September 5th, 1958.

DOMINION GLASS COMPANY LIMITED

Notice is hereby given that a dividend of one and three-quarters percent (1¾%) has been declared on the PREFERRED STOCK of the Company for the quarter ending the 30th day of September 1958.

Notice is also hereby given that a dividend of Fifty Cents (50c) per share has been declared on the COMMON STOCK of the Company for the quarter ending the 30th day of September 1958.

The above dividends will be paid on Wednesday, the 15th day of October 1958, to shareholders of record at the close of business Friday, the 26th day of September 1958.

By Order of the Board.

T. B. KING,
Secretary.

Montreal,
27th August, 1958.

THE CANADIAN BANK OF COMMERCE

Dividend No. 287

NOTICE is hereby given that a dividend at the rate of thirty-five cents per fully-paid share on the outstanding Capital Stock of this Bank has been declared payable at the Bank and its branches on November 1, 1958, to shareholders of record at the close of business on September 30, 1958.

By Order of the Board.

J. P. R. Wadsworth,
General Manager

Toronto, August 28, 1958

DIVIDEND NOTICES

UNIVERSAL COOLER COMPANY LIMITED

Ninth Regular Quarterly Dividend

Notice is hereby given that the Ninth regular quarterly dividend for the quarter ending September 30, 1958, of 1½% on the outstanding 6% Cumulative Redeemable Class A Preference Shares and of 12½c per share on the outstanding 50c Cumulative Convertible Class B Preference Shares of the company has been declared payable October 1, 1958, to shareholders of record at the close of business on the 18th day of September, 1958.

By Order of the Board.

A. D. HALL,
Secretary-Treasurer.

Brantford, Ontario,
September 15, 1958.

Belding-Corticelli Limited

Notice of Preferred Stock Dividend No. 175

A dividend of one and three-quarters per cent (1¾%) has been declared on the Preferred stock of this Company, for quarter ending September 30th, 1958.

The above dividend is payable on the 1st day of November, 1958, to shareholders of record at the close of business the 30th day of September, 1958.

By Order of the Board,

D. F. POLLOCK,
Secretary-Treasurer.

N. SLATER COMPANY LIMITED HAMILTON-CANADA

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a dividend of fifty-three cents (53c) has been declared on the outstanding Preferred Stock of the Company, payable October 13th, 1958, to shareholders of record at the close of business on September 26th, 1958.

NOTICE IS HEREBY GIVEN, ALSO, that a quarterly dividend of twenty-five cents (25c) per share has been declared on the outstanding Common Shares of the Company, payable November 3rd, 1958, to shareholders of record at the close of business on October 10th, 1958.

By Order of the Board.

E. GARSIDE,
Secretary.

ANGLO-CANADIAN TELEPHONE COMPANY

Preferred Dividend Notice

NOTICE is hereby given that a dividend of One and One-Eight percent (1⅛%) has been declared on the 4½% Cumulative Preferred Stock of the Company for the quarter ending October 31, 1958, payable November 1, 1958 to Stockholders of record at the close of business on October 10, 1958.

By Order of the Board.

CAMERON HOUGH,
Secretary.

Montreal, P.Q., September 5, 1958.

ANGLO-CANADIAN TELEPHONE COMPANY

Class A Dividend Notice

NOTICE is hereby given that a dividend of $0.30 per share (3% on the par value) has been declared on the Class A Stock of the Company, payable December 2, 1958 to Stockholders of record at the close of business on November 10, 1958.

By Order of the Board.

CAMERON HOUGH,
Secretary.

Montreal, P.Q., September 5, 1958.

THE BOWATER PAPER CORPORATION LIMITED

Notice of Interim Dividend

The Board of Directors at a meeting held September 9, 1958 declared an interim dividend in respect of the year ending December 31, 1958 of 4½ per cent on the Ordinary Stock equivalent to 12½ cents per £1 stock unit. The dividend will be paid, less British income tax, on October 31, 1958 to stockholders of record at the close of business on September 16, 1958.

ROBERT KNIGHT, *Secretary.*
London, England.

The Bowater Organization

Canada • Great Britain • United States of America • Australia • South Africa • Republic of Ireland • Norway • Sweden

dividend notice

Notice is hereby given that a Dividend at the rate of Thirty-Five Cents per fully paid share in the Capital Stock of the Bank has been declared for the quarter ending October 31st, 1958, and that an Extra Distribution at the rate of Twenty Cents per fully paid share in the Capital Stock of the Bank has been declared for the year ending October 31, 1958, payable at the Head Office and Branches of the Bank on and after November 1st, 1958 to shareholders of record at the close of business on September 30th, 1958.

By Order of the Board
Toronto, Ontario,
September 4, 1958

A. T. LAMBERT,
General Manager

THE TORONTO-DOMINION BANK
THE BANK THAT LOOKS AHEAD

Market Bid and Ask Quotations

Montreal & Toronto
Sept. 16, 1958

	Bid	Ask
Abitibi	33¼	34
Do p	24½	24½
Ac-Atl	9½	9¾
Do A	20¾	20¾
Do p	95	95
xAcad U	6¼	7
xAcme	24	24½
xAdvoc	405	410
Ag-S	12	12¾
Do p	10	10
xAgnico	53	54
xAjax	60	63
xAkaitc	56	63
xAlba	7¼	8
xAlta D	185	190
Do vt	155	160
Alta Gas	20¼	20¾
xAP Con	36	37
Algom	17	17¼
Alg vt		17½
Do deb	99	99¾
Do vtw	575	590
Algma	33¼	33¾
Alg C vt	19¼	20
xAll Rox	34	46
Alumi	392	400
Do 1p	22¼	23½
Do 2p	461	482
xA-Lar	14	18
xA Rare	16¼	18
xAm L	18	19
xA Nep	71	78
xAmut	350	370
xAnac	47	49
xAnalog	325	375
xAnch	27	27½
xAng-A	990	1050
Ang-C T	404	..
A Pip p	512	..
xAng Hu	11¼	11¾
xAng R	25	32
xAnsi	23	25
Anthes	34	35¼
xApex	4	5
xArcad	16	18
Do w	8	10
xArcan	70	72
xArea	96	99
Argus	24¼	24½
Do 240p	54	56
Do 250p	45¼	46¾
xArjon	14½	15
Aro	171	184
xAsama	172	175
Ash A	12	12½
Do B	12	12½
xAsh T	378	475
Do B	8½	9
A Art	10¾	11
Do d	11¼	11¾
Do wts	673	705
Atl A	6	6½
Do p	15½	18½
Atlas S	22	23
xAt YK	8½	9½
xAt-Ruf	21	21¼
xAubei	5¼	6
xAumac	12¼	13
xAumaq	9½	10
xAunor	246	250
Aut El	16½	16¾
Do A	10¼	..
xAut F A	350	400
Do B	200	200
xAvilla	6¾	7
xBly SA	875	890
Do p	24¾	25
Do 5½%	22¼	22½
xBanff	180	184
xBnkno	17	18½
xBnkfld	8	9
Bk Mtl	48¾	48¾
Bk NS	62½	63¼
Barb-E	50	..
xBrclna	350	525
xBarnat	182	184
xBaryd	16	18
xBary E	70	72
xBase M	19	20
xBaska	17	18
xBatia	7	8
Ba Ip	8	8
Bath A	45	47½
Do B	26	27½
xB-Duq	20	21
xBeatty	475	500
xBeauc	36	37½
xBeav L	20	23
B Lum	21¼	21½
Do A	18¾	..
Do pr	24½	..
xBelch	107	109
Bell	41½	41¾
xBellet	175	185
xBthim	102	104
xBevcn	19	20
xBibis	6	6¼
xBicrft	96	100
Do w	16	17
xBidcop	21	22
Bilt	6¾	7
Do p	13¼	14
xBl Bay	24	25
Bl Rib	10	..
Do p	45¼	47
xBonvill	5½	6
xBordul	6¾	8
xBouse	7¼	8
xBourn	46	48
Bowat	54	54½
Do p	44	45¾
Do 5¼%p	48¼	48¾
Bowes	16¼	..
xBoymr	8	9
xBrlm	590	595
xBralsa	70	80
Br Col A	18	20
Do B	13	13½
Brazil	6¾	6¾
Do p	91	..
Br T	21	21½
Do p	46½	46¾
Do w	10¼	11¼
Bright	28	30
Do p	20¾	..
xBritalt	200	204
BA Oil	42¾	43¼
BCE 4 p	78	78½
Do 4½%p	40	41¼
Do 4½%p	43¼	44¼
Do 4.7%p	94	95
Do 5%p	48¼	49½
Do 5½%p	52	52½
BC For	12¾	12¾
BC P A	14¼	15¼
Do B	14	14¼
BC Pow	42¾	42¾
BC Phone	40¼	41¼
xBr Reef	54	57
Brown	11¾	11¾
Bruck A	5¾	6¼
Do B	175	250
xBrnhrst	5	5¾
xBrnsmn	6	9¼
xBrnsk	295	300
xBufad	7	7½
Do A	87	92
Do RL	7¼	8¼
Bld Prd	..	41
Bull A	6¼	6¼
Do B	6¼	6¼
xBunk H	9	10
Burlton	12¾	13¼
Burns	13¾	14
Burr A	7¼	7¾
xCbnga	14	15
xCable	28	32
xCalalt	76	78
Cald 1 p	21	23
Cal Ed	29¼	29¼
Cal Pow	78	79
Do 5 p	105	..
xCalv C	390	400
xC Chib	590	600
xC Red L	835	850
xC Bd	415	450
Do B	52¼	..
C Cem	33¾	33¾
Do p	29¼	29¼
CG St	10¼	10¼
C Foil	16	20
Do A	19	..
C Fnd A	21¼	30
C Fnd	10¼	..
Cl Fnd	51¼	52
Do 4½%	97	99¼
C Life	175	182
C Mach	8¼	..
C Malt	63¼	..
Do p	25	25¼
xC O Lds	220	235
Do w	85	90
C P A	47¼	48¼
Do B	46¼	46¾
C Perm	99	103
C Salt 4p	94	97
xCSO w	75	80
xCS Pet	345	370
CSL	38¼	39¼
Do p	12¾	13
C Wre B	14	14½
Canadian		
xC Ast	7	7¼
xC Atl Oil	595	610
C Baks	7¼	8¼
C Bnk C	49¼	50
C Br	34	34½
Do p	33¾	34½
CB Al	10¼	10¼
Do wts	365	460
C Can A	13¼	14½
C Cel	16¼	16¾
C C sl	17¾	..
Do $175	31½	32
C Chem	6¾	6¾
xC Chief	153	155
xC Coll	5¾	5¾
Do p	72	73
C Conv	300	..
Do B	400	425
xC Curtis	140	145
xC Dev	555	570
C Drn S	11¾	13
Do p	10¾	11¾
C Drdg	23	23¾
xC Dyno	63	69
C Eagle	7¾	8¼
Do B	8	8¼
xC E Gas	295	297
C Fbks	23	24
xCF Pr	325	350
Do A	7	7¼
Do p	45¼	48
CGE	748	..
CG S A	20¾	20¾
Do B	20	21
xC High	31	35
xC Home	195	199
C Husky	14¾	14¾
Do p	840	855
C Hyd C	8¼	8¼
C I Ma	6¼	..
Do A	11¾	12¼
CIL	17¾	18
Do pr	82	85
C Int Pwr	18¾	19¼
Do pfd	43	45¼
C Locs	13	13¼
xC Mal	55	58
xC N In	17	24
xCNwest	48	49
C Oil	27¾	28
Do p	15¼	..
Do 4½	89	..
Do 5½	102¼	104
Do w53	985	1050
Do w55	96	115
CPR	29¾	29¾
C Pet p	14¾	15
C Salt	22¾	23
xC Thor	6¾	7
C Tire	125	130
Do p	21	25
C Ut p	95¼	96
Do 4½%	81¼	85
C Vick	27¼	29
C Wal A	25	27
Do B	25	27
CWN p	15¼	15½
Do 5½ p	21	25
xCdn WO	245	248
C West	51	55
xC Will	115	174
xCanam	22	25
xCandor	18	19
xCanEr	25	26
xC Met	115	117
Do w	40	43
xCanlo	12	13
xCarib	75	80
xCass	775	800
xCastle	365	375
xCavzr	310	345
C C I	32¼	..
Do p	96¼	..
xC Del	845	850
xC Pat	90	95
xC Pore	28	29
xChar O	185	190
Chart Tr	54	55
C-Gai	18¾	19
xChesk	7	7¼
xChest	21	23
xChib J	43	44
xChib-K	13	15
xChi M	85	94
xChim	53	55
xChrm	230	290
Chrys	56	57
xC Bar		250
Do A	350	450
xCoch W	250	251
Co-D	19¼	19¼
Do A	14¼	16¼
Cshutt	13¼	13¼
xCody-R	18	20
Cogh CL	11¼	17
xCoin L	13	14
xCistm	31	32
Coll	15	..
Do p	15	..
xColom	7	8
Com E	12¼	12¾
Comb Mtl	39	39¼
xCmbli	76	160
xCom P	175	200
Conduit	9¼	9¾
Conf L	163	166
Do Off	162	166
xConia	55	56
xCntaur	31	33
xCKey	22¼	23
xC All	7¼	8¼
C Bak	7¾	8¼
xC Bell	11	12
xC B G	12	12½
xC Cal	13	13½
xC C C	6¼	7¼
C Den	14	14¼
Do w	470	475
xC Disc	340	345
xC Dra	27	28
xC E Cr	40	42
C Fe An	55	59
xC Fire	300	500
C Fds	21¾	..
xC Gil	8¾	9
xCG Ar	16¼	17
xC Hall	61	62
xC Hwy	210	235
xC Mrbn	41	43
xC Mrce	46	54
xC M M	420	425
C M S	20¾	20¾
xC Mogul	184	185
xC Morr	23¼	24
xC Mos	63	67
xC Nep	24	25
xC Nich	6¼	7¼
xC Nor	30	32
xC Pk	5¾	7
xC Pers	11	12
xC Que	35	45
xC Red P	9	10
xC Reg	15	15¼
xC San	8	8¼
xC Sud	70	..
C Textile	225	..
xC W P	490	495
C Gas	33¼	33¾
Do A	105¼	106
Con C		52
C Glass	31	33
xCnwst	310	315
Cop Cl	6	6¼
Cop Ur	6¾	7
Corby	14¼	15
xCor	20	21¼
xCop-M	14	15
xCprnd	185	187
Corb vt	18¼	18½
Do B	17¼	17½
Camos	11¾	12¼
xCoulee	58	60
xCourn	8¼	9
xCowic	51	78
xCraig	260	300
Craigm't	262	267
xCree O	420	435
Do w	198	200
xCrst	9	10
xCrsbk	150	175
Do p	15	18½
Do w	60	68
xCroi	10	12
Cr Cork	50½	55
Cr Tr	22	23
Cr Zell	55	56½
Do (C)	20	21½
xCrowp	9	11
Crow	18¾	25
xCusco	13	14½
xDacey	34	35
Dlex p	83½	91
xD'Ara	55	56
Dav A	10½	10½
Do B	300	325
xDe C	25	28
xDeer H	16	17
xD'Eld	8½	9¼
xDelte	57	58
xDev P	132	136
D Seag	30¾	31
Dome	15¼	15½
D Pete	11	11¼
Dominion		
D Ang	419	..
Do p	93	..
D Coal p	9	10½
D Cor C	16	17
D Brge	22½	23
D Dair	8¼	10
Do p	17	26
D Elec	14	15
D Fab	10¼	13
Do 2 p	12½	..
D Fdry	34¾	34½
Do p	101	101¼
D Ins	166	..
D Mag	9½	10½
D Scet	27	..
Do p	48	52
D St o	22¼	22¾
D Stra	69	69½
D Tar	13¾	13¾
Do p	21	21
D Tex	9½	9¾
Do p	123½	..
xD Wi		20
xDonal	13	14
D Rop B	12¼	..
Donoh Br	15¼	16
Dow	40	41
Dup Fr A	8	8½
xDuvan	15½	17
xDuvex	12	14
xE Am	20¼	21
E Koot	10	..
xE Mal	156	158
xE Sull	220	225
xE Met	8	9
Easy *	9¼	10
Do p	15	..
Econ I	35	36
Eddy	50½	54
Do A	51½	53½
Ed Ma	25¼	26
xElder	76	77
xEldr	33	38
xElectr C	98	..
Electrolux	12¼	13
xEl Sol	10¼	11
Em Life	60	62
En & Hg S	..	..
Do B	110	..
Eq Life	52	54
Erie A	5¼	7
Do B	150	300
Esthks p	19	20
xEurka	23	25½
xEx All	14	15
Falcon	26¼	26½
Fam Pla	20¼	20¾
Fan F	18¼	18¾
xFrdy	115	119
Do w	37	40
xFargo	620	630
xFwest	14	14½
Fed Gr	41	41½
Do p	281	20
xF Kirk	5¼	6
xFibre	300	400
Do p	250	..
xFitting	5¼	5¾
Do A	8¼	10
xFleet	57	60
Ford US	43¾	44½
Do A	96½	96¾
Do B	96	..
Found N	13¼	13¾
xFrnc	16¼	17
Fraser	30	30¼
Frej p	86	90
xFr PEp	800	815
xFrbshr	153	154
Do db	73	77
Frue	5¼	5½
Gatin	37¼	37¾
Do 5%p	104	105
Do 5½%	109½	111
Geeco	14¼	14½
G Bak	6¼	6¾
G Dev	18¼	18¾
G Dyn	60	60¾
G Elec	65¼	..
GMC	44¼	44¾
xGen P	320	..
Do A	300	310
GP M A	32	35
Do B	30	..
GSW	9¼	10
Do p	85	90
xGenex	19¼	20
xGeo Sc	50	55
xGt Mas	10	11
xGiant	540	550
xGlacier	23	29½
xGlenn	11¼	12
xGldale	16	17
xGold E	17¼	18
xGold M	36	40
xGF Ur	25	27
Gdy	190	165
Do p	48	49
G Mac A	6¼	6¾
Do B	6¼	8
Gould P	15¼	..
Gtfu A	13¼	13¾
xG Bous	7¼	..
Granby	660	740
Gr Toy	36	52
xGrdroy	16	17
xGduc	170	173
GL P	35½	36
GL Pow	25	29
Do p	21¼	24
GN G	7¼	7¾
Do p		40½
Do 280p	41¼	42
Do w	330	340
Do Bw	290	320
Gr Pine	16¼	17¼
GW C A	5¼	5¾
Do B	490	500
Gr W	18	18
xGruing	385	425
xGrybk	17	18
xGreyhnd	10½	10¾
xGridoil	350	1250
Guar T	22¼	22¾
xGulch	19	20
xGulf L	7¼	8
Gunn	17¼	17¾
Gurney w	780	790
xGurney	200	250
Do p	7¼	13
xGwilm	7	7¾
Gyp	34	35
Hahn	17	20
Do A	13	18
xHallnr	195	220
xHalmon	50	53
H Col	12¾	15
Do p	85	90
H Carp	7¼	7¾
xHld Rck	10	11
xHar-M	16	16½
Hartz A	12	12
xHasaga	15½	17
xH of L	8	9
xHdway	63	64
xHeath	8	8½
xHees	150	175
xHendsh	410	5¼
Do p	82	85
xHeva	5	5¼
xHigh-B	136	140
xHisthw	21	22
H D		50
Hi-T	7	7
xHold A	275	450
Do B	100	175
Holling	24½	24½
Holt Ren	60	75
Do istp	92¼	..
Do 2d p	90	..
Ho O A	20	20¾
Do B	19¼	19¾
H Smit	34¼	34¾
Do p	44¼	46
xHole	400	410
Hud B	52	52½
HB O G	19¾	20¼
xH-Pam	21	22
Hu O A	14	14¾
Do p	25¾	..
xHunt O	193	194
Hur Er	44¼	44¾
Imp B	55	57
I Flo	27¼	29¼
Do p	26¼	..
I In A	13¼	13¾
I Ind p	20¼	21
Imp L	71	72
Imp O	44¼	44¾
I Tob	13¾	13¾
Do p	6¾	6¾
xInd L	5¾	7
I Acc	37	37¾
Do 450 p	98	98
Do 225p	46¼	49
Do 275p	52½	53¾
Do wts	12¾	13½
Inger A	7¼	7¾
xInglis	345	350
Ing Bl	425	525
Do p	10¾	11¼
Inl C p	15	15¼
In G	7¾	7¾
Do p	320	325
Do w	16¼	16¾
xInspir	47½	48¼
Int Bro	12¼	14
Do p	23	23½
I Mill p	70	72
I Nickel	85¾	85½
I Pete	50½	54
xInt Ran	31½	32
Intprov	10¼	10¾
IPL B w	69	..
IPL	53½	53½
Inv Syn	17¼	19
Do A	17¼	17¾
xIrish	218	221½
xIrk B	170	175
xJ Wal	17	20
Jam Pub	54¼	80
Jam PS	102	..
xJaye	65	67
xJean	9	11½
Jeff	8¼	8¼
xJellico	13	14
xJburk	17	18
xJoliet	28	30
xJonsm	16	17
Jour Ot	15¼	..
xJows	46	47
xJump P	26	27
xJupli	213	225
KEL D A	6¾	7
xKei wts	360	365
Kelvin	6¼	6¾
xKenvil	5¼	6
Ker Ad	16	18½
xKil	160	167
Do w	41	45
xKirk H	6	6¾
xKirk M	34	36
xKirk T	12¼	13
Labatt	25¼	25¼
Labdor	21¼	21¼
Lfge A	9	9½
xL Ch	107	110
L Duf	66	70
xLkind	340	345
Do D	811	822
xL Ling	8¼	10
xL Osu	19	22½
xL Shor	505	515
xL Was	21	22
L Wds p	123	140
xLa L	290	320
xLamq	260	270
xLAT Am	27	45
L Sec	23¼	24
Laur A	15	..
L J A	20¼	21½
Do B	20	..
xLeitch	130	140
xLenc	14	15½
Lewis Br	10¼	11
xLexndn	4½	5
xLLL	181	187
LobGro	114	..
Do 1 p	29¼	30
Do 2 p	53	..
LobCo A	30¾	31
Do B	30¼	30½
Do p	46	46¼
Loews	135	160
xLmega	4¼	5
xLmos	125	206
xLIP	7	8
xLorado	55	56
Do w	28	30
xLouvi	10	10¼
L St Law	26¼	27
Lown	27¼	..
xLyndh	17	19
xLynx	8	9¼
xMacas	299	310
Do A	21¼	21¾
xMacdon	24	24¼
xMacfie	15	16
Mackin St	10	..
xMacL	110	113
MacM A	32	..
Do B	33	35¼
xMadsn	237	240
xMages	30	50
xMagnt	5	5¼
Magnum	15¼	..
Maher	19¼	20
Mailman		20
Do cu p	25	26
xMajtrn	4	4¼
xMalart	101	110
xMan U	7	7¼
M Su p	94	99
M L G	20	22
M L M	11	11¼
Do p	95	96
xMraigo	40	41
xMarcn	7¼	10
xMargid	10	11
xMari	104	105
xMrtin	24	25
Mass-F	9¾	9¾
Do p	97¼	97½
xMatat	20	22¼
Maxw	365	400
xMaybrn	15¼	16
McB p	10¼	..
McC A	23	24
Do B	23¼	24
MCoil	60	60¼
McIntl	92¼	95
McMil	83¾	85
xMcKen	32¼	34
xMMar	12	13
xMWat	22	24
xMedal	237	260
xMent	12¾	13
xMere	7	15
xMerril	81	84
Mercy p	47¼	..
xMeta	10¼	12
M LP	12¾	13½
Do p	14	14½
xMidcon	66	68
Mid P	14	6
xMidr	99	100
xMidW	180	185
Do w	47	55
xMill C	24	26
xMillik	238	244
xMilt B	275	290
xMinda	8	9¼
xMin Cp	13¾	14¼
xMin Or	22	23
Mitch &C		35
Mitch Ro	6	7
Do cl B	145	..
M C A	12¼	13
Mois A	41¼	55
Do B	41¼	..
Moly	25¼	26
Do w	15	..
xM Kn	475	500
Do p	68¾	75
M Mort	37	..
xMoneta	67	69
M Loco	17	17½
Mt l Tr	40	41½
Moore	72¾	72¾
Do A	1152	1220
Do B	1728	..
Morg &C	21¼	22
Do 41½p	98	100
xMt Wrt	56	60
xMulti	78	79
xNama	19	19½
National		
Nat Dr	14¾	15
Do p	14¾	15
N Exp	13	14
N Groc	20	25
Do p	27¼	27½
xN Ho A	450	..
Do B	430	450
N Pet	180	194
N St C	20½	21
Nat Tr	42¾	43
xNealon	6	6¼
xNello	14¾	18
Neon	14¾	15
xNes L	32	34
New		
xN Alg	8	9
xN

THE WEEK'S QUOTATIONS

Quotations here listed are the official, exchange prices for listed stocks including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

Bid and Ask quotes of Toronto and Montreal exchanges up to press time are published on page 39

Industrial Stocks

WEEK ENDING SEPTEMBER 12, 1958

Range 1958 High	Low	Div. Y'ld R'teSep12 $	%	Company	Sales	Last Sep. 5	Week end. Sep. 12 High	Low	Close or Latest
.63	.26			Abitca Lumber ..	25800	.51	.50	.44	.45
34⅜	24¾	1.70	5.0	Abitibi	17415	33	34⅜	33	34
25¼	23	1.12½	4.7	Do. 4½% pref.	746	24½	24½	24	24
10½	8⅝	.50	5.3	Acadia Atlan. ..	735	9¾	9½	9	9½
100	92	5.00	5.4	Do. 5% pref...	30	96	95	93	93
21½	19	1.20	5.9	Do. (A)	400	20½	20½	20	20¼
..	..	•	..	Admiral	nil	..	B13⅜	A13⅞	..
13¼	8	.60	4.6	Agnew Surp. ...	710	12⅜	13	12½	13
10	8½	.55	5.5	Do. pref.	100	9	†10¼	10	†10
2.00	1.30	..	..	Albt. Dist.	7650	1.90	1.90	1.75	1.80
1.70	1.10	..	..	Do. V.T.	6600	1.65	1.60	1.55	1.60
20.25	12.25	..	..	Albt. Gas Tr.	51142	19.75	20.00	19.25	20.00
23¾	19½	..	..	Algom. Cent. VT	829	20½	20½	20¼	20
33	21¾	1.00	3.0	Algoma Steel ...	6625	32¼	33	32¼	33
31⅝	25	*a.57½	..	Aluminium	27970	28½	28¾	27½	27⅞
23⅝	22	1.00	4.0	Alum of Can 1 p	1375	23	23	23	23
49½	45	2.25	4.8	Do. 2nd pref..	2200	47⅜	47⅜	47	47¼
4.00	2.10	..	..	Analogue	1600	3.70	4.00	3.75	3.75
6	4	*a.15	..	Andian Nat.	50	5	5	5	5
21½	20	*50	..	Anglo. Can. Otis (Brandon)	nil	..	B18½	A22½	20
34½	25	2.00	6.1	Ang. Cdn. Pulp.	800	32	34½	33	33
53½	48	2.80	5.4	Do. pref.	415	52	52	51½	51½
44	38	2.25	5.5	Ang. Can. Tel. p.	275	40½	42	41	41
7	5	*.25	..	Ang. Nfld.	4185	6½	6¾	6¼	6⅜
..	..	*1.50	..	Angi-Scand. Inv..	nil	..	..	..	..
37½	20¼	*.99	..	Anthes Imp.	440	36	37½	36	36
1.00	.25	..	..	Arcan Corp.	260	75	..	..	.65
23½	14	.80	3.3	Argus	2445	24⅞	24¾	24	24
56½	43½	2.40	4.3	Do. A pref. ...	465	56¼	56¼	56	55½
47	41	2.50	5.4	Do. B pref. ...	745	46¼	46⅞	46	46
..	..	▲1.00	..	Aro Equip.	nil	..	B17⅜	A18½	35
33½	27¾	1.00	2.75	Asbestos	7248	32½	33¼	30	30½
3.50	2.00	*.20	..	Ash Temple	268	3.35	†3.75	3.25	†3.75
..	..	6.00	6.6	Do. (A)	nil	..	..	..	91
9	8½	.65	7.6	Do. (B)	nil	..	B8½	A9	8½
..	..	.60	6.0	Ashdown Hd. A.	nil	..	B12	A12½	†10
13	10½	.72	5.8	Do. (B)	400	12⅜	12½	12¼	12½
10¾	8¼	..	..	Assoc. Artists ..	6543	10½	10¾	10⅜	10⅝
6.33	3.90	..	..	Do. Warr.	1460	6.25	6.40	6.25	6.40
115	95	..	..	Do. Deb.	1230	112½	115	112¼	113¾
..	▲4.00	+*▲▲2.00	..	Assoc T&TA pf.	nil	..	..	..	101
6¾	5	..	..	Atlas. Accept. a.	535	5⅜	6⅜	5⅜	6¼
18	15	1.10	6.9	Do. pref.	nil	..	B15½	A18	16
1.25	.35	..	..	Do. Rts.	2050	.60	1.25	.65	1.20
23¾	15⅞	1.00	+1.25	Atlas Steels	9584	22½	23¾	23	23
17	13½	.80	+1.20	Auto Electric ...	175	16½	17	16	16
10¼	10¼	.50	4.5	Do. (A)	nil	..	B10	..	10¼
4.50	2.25	..	..	Auto Fabric A...	nil	..	B4.00	A4.25	4.00
2.00	.90	..	..	Do. (B)	500	2.00	2.25	1.75	2.25

B

47¼	37	1.40	+1.30	Bk. Can. Nat. ...	1685	46	46	45½	45½
48½	38¼	1.40	+1.20	Bk. Montreal ...	7519	48	48¼	47½	48¼
63½	51	2.00	+1.30	Bk. N. Scotia ..	2040	63½	63	63¼	62½
34¼	32	..	..	Bk. Provinciale.	1334	33½	33½	32	32
..	..	3.20	+*1.30	Barber-Ellis	nil	..	B50	..	..
..	..	3.50	..	Do. pref.	nil	..	..	..	..
4.75	3.30	..	..	Barcelona	nil	..	B3.50	A4.50	3.65
9½	8	1.00	11.1	Bates & Innes A	nil	..	B8	A8	9
46	33½	*1.75	+1.50	Bathurst Pr. A..	380	†42	46	43¾	46
25½	15	*.75	..	Do. (B)	360	24	25½	23⅜	25½
4.75	3.50	*.05	..	Beatty Bros.	2445	4.40	4.75	4.40	4.75
28½	17½	1.00	+*.25	Beaver Lumber.	165	22½	22½	21¾	21¾
18	16¾	1.00	5.5	Do. (A)	nil	..	B18¾	..	18¼
28	25	1.40	5.0	Do. pref.	nil	..	B.23	..	28
9⅞	6¾	.15	..	Belding Cort. ...	nil	..	B8½	A9½	9
10⅝	9¾	.70	6.6	Do. pref.	nil	..	B10½	A12½	10¾
6½	6½	..	..	Belgium Stores..	nil	..	B6	A8	6½
12	12	1.00	7.7	Do. pref.	nil	..	B13	A13¾	13
42¾	39¾	2.00	4.8	Bell Telephone..	26905	42⅝	42⅞	42	42
7	5	.40	6.4	Biltmore Hats ..	10	7	†6¼	†6¼	†6¼
14	10⅝	1.00	7.3	Do. A pref. ..	350	13½	14	13¾	13¾
147	107	2.40	+2.40	Bird Constr.	nil	..	B47	A65	147
112	110	..	..	Blue Ribbon	nil	..	B110	..	110
45	34	2.50	5.5	Do. pref.	nil	..	B45½	A47	45½
5.75	3.50	*12½%	..	Bowater Paper..	1810	5.00	5.25	4.80	5.00
45½	41	2.50	5.5	Bowater NA 5%p	420	44	†45¾	43	†45⅝
50	*82½	2.75	5.7	Do. 5½% pref.	260	48	48¼	48	48¼
17¾	13½	*1.00	..	Bowes Ltd.	nil	..	B16¼	..	17¾
9¾	8¼	.60	7.6	Boyles A	200	8¾	8½	8½	8½
6½	6½	..	..	Do. B	nil	..	B6	A7	16
10¾	10½	1.00	5.4	Brant. Cord. A .	160	†17¾	18½	18½	18½
13	11¼	1.50	3.8	Do. B	315	11¾	13	12¾	13
7⅝	5⅜	*.25	..	Brazilian Tr....	9073	5⅞	6⅞	6¾	6⅞
191	†83½	6.00	6.6	Do. pref.	15	†89	†91	†90	†91
21⅜	19½	1.20	5.7	Bridge & Tank .	10	21½	21	21	21
48	46½	2.90	6.2	Do. pfd.	60	47	47	46¾	47
12	11¼	..	..	Do. warr.	15	10½	10½	10½	10½
20	17½	1.00	3.3	Bright, T. G. ..	50	27	30	30	30
23	20	1.15	5.0	Do. 5% pfd.. ..	nil	..	B20¼	..	23½
43	27½	1.40	*1.65	Br. Am. B. Notes	25	42½	43	43	43
44	33¾	1.00	2.4	Brit. Amer. Oil .	25819	42½	43⅜	42¼	42¼
8	8¼	..	..	Brit. Elec. 4% pf.	80	†8¾	79	77	†8¾
44	39½	2.12½	5.1	Do. 4¼% pref.	60	41¾	42	42	42
47	42	2.25	5.1	Do. 4½% pref.	140	44½	44½	43½	44½
97	88	4.75	5.1	Do. 4¾% pfd.	145	93	95	94	94
51	47	2.50	5.0	Do. 5% pfd. ..	535	50	50¼	49¾	50
53	48½	2.75	5.3	Do. 5½% pfd.	929	51	52½	†48	52
13¾	8½	*.08	..	B.C. Forest	4585	12⅞	13	12¾	12½
16¾	12	.75	4.8	B.C. Packers A .	100	16	15½	15½	15½
16	11	*.50	..	Do. B	240	14¾	14¾	14½	14½
43¾	36¾	1.40	3.3	B.C. Power	7482	42⅜	42¾	41½	42¼
44⅜	38½	2.00	4.8	B.C. Tele.	3799	41	42	40½	41½
.90	.85	..	..	B.C. Turf	nil	..	B.85	A.95	.85
13	9½	*▲.30•	..	Brown Co.	2215	11⅜	11¾	11¼	11⅜
7	4½	•	..	Bruck S. Mills A	425	6	6	5¼	5½
2.60	1.75	..	..	Do. B	nil	..	B2.25	A2.50	2.00
45	35¾	1.80	4.4	Build. Prod.	750	42¾	41½	40	40¾
8	6½	.50	7.7	Bullock's A	70	6½	6¾	6½	6½
6	5⅜	.35	5.8	Do. B	nil	..	B6¼	A6½	6
13¼	11¼	.60	+*.20	Burlington Steel.	360	†13¼	†13¾	13⅛	13⅛
13	10¼	.60	+*.10	Burns & Co.	4831	13¾	14	13½	13¾
7½	6¾	.45	6.0	Burrard D.D. A .	650	7⅜	†8	7½	7½
2.00	1.75	..	..	Butterfly Hos. ..	nil	..	B1.00	A2.00	2.00

C

..	..	1.50	7.1	Caldwell L. 1st p.	nil	..	B21	A23	†21
..	..	‡ 20•	..	Do. 2nd pref. ..	nil	..	..	..	13
80	62½	2.60	2.6	Calgary Pwr. ..	1085	76¼	77¾	76½	77¾
105	97	5.00	4.8	Do. 5% pref. ..	30	104	105	105	105

Canada

4.25	3.25	.10	2.4	Canada Bread ..	nil	..	B4.00	A4.25	4.25
55	45	2.50	4.5	Do. pref. B	95	52¼	53	52	53
35	24	1.00	3.0	Canada Cement.	5015	33	34	33	33½
29½	27	1.30	4.4	Do. pref.	884	28¼	29¼	28⅜	29¼
9⅜	6	*.20	..	Can. C. & C. St.	30	9¼	9¾	9½	9¾
25½	20½	1.20	4.9	C. & D. Sugar .	1763	24½	24¾	24	24⅜
14½	13½	1.00	7.4	Can. Floor B ..	nil	..	B15½	..	13½
16	15	.60	+*.20	Can. Foils	nil	..	B17	A20	16
20	17½	.60	+*.40	Do. A	nil	..	B19	..	19½
12½	12½	*.37½	..	Can. Forg.	nil	..	B10½	..	12½
125½	†18½	1.50	5.9	Do. A	20	†23½	†23½	†23½	†23½
32¾	25	1.50	4.7	Can. Iron	1865	31¾	32¼	32	32
99	85	4.25	4.4	Do. 4¼% pref..	15	99	97	97	97
13	12⅝	4.60	2.5	Can. Life	5	186	182	182	182
..	▼8½	..	..	Can. Machine ..	25	†8¾	†8½	†8½	†8½
64	50¾	2.00	3.2	Can. Malting ...	105	62½	63	62½	62½
25⅞	24	1.17	4.7	Do. 4½% pfd. .	325	25	25¾	25	25
5.50	3.75	1.75	3.7	Can. Packers A	230	4⅞	4⅞	4⅞	4⅞
51	47½	2.75	3.8	Do. B	1250	48	48	46½	46¾
103½	80	3.60	+.30	C. Permt Mtge.	340	103	103	100½	102
97	88	4.40	4.7	C. Safeway pref.	50	95	94	94	94
40	30⅝	1.40	3.6	C. Steamships .	1224	39	39½	38¾	39
13¼	11⅝	.62½	4.9	Do. pref.	2212	13	12⅞	11½	12⅝
21½	20½	1.00	+.25	Can. Vinegars ..	nil	..	B24⅜	..	†23⅜
9½	9½	..	..	Can. W. Cord. A	nil	..	..	..	19
..	..	..	..	Do. B	nil	..	..	..	..
..	..	4.00	..	Can. W. Cable A	nil	..	..	..	..
14¾	12½	.80	5.6	Do. B	450	14½	14½	14	14¼

Canadian

151	150	1.00	0.7	Canadian Arena	nil	..	B150	A190	150
8	5¾	..	..	Cdn. Bakeries ..	300	8	†7¾	7½	7¾
51¼	40½	1.40	+*.20	Cdn.-Bk. Com.	3751	51¼	51¾	49¾	50¼
34¼	25	1.50	4.4	Cdn. Breweries.	17690	33½	34¼	33	34
34⅜	25⅛	1.25	3.7	Do. pref.	1443	33¼	34⅜	33¼	34
13½	8	..	..	Cdn. Br. Al. A.	3550	10½	13½	†11	11⅞
8.00	2.50	..	..	Do. warr.	7505	4.00	5.00	4.30	4.65
27	20	2.00	+1.25	Cdn. Bronze ..	1635	24	24½	24	24½
98	93	5.00	5.3	Do. pref.	nil	..	..	..	93
15½	13	.75	5.3	Cdn.-Canners A	670	14	14⅜	14	14¼
16⅜	13	.80	+.15	Cdn. Celanese .	8231	15⅝	16½	15¾	16¼
31½	28½	1.75	5.6	Do. $1.75 pref.	165	31	31½	31	31½
17¼	15¾	1.00	5.7	Do. $1.00 pref.	nil	..	B17½	..	†17½
7.25	4.75	..	..	Cdn. Chem.	2815	6.37½	6.50	6.12½	6.50
6.25	4.00	..	..	Cdn. Collieries .	4105	5.50	5.75	5.12½	5.50
.75	.66	.05	6.7	Cdn. Cottons ...	5765	.76	.81	.72	.75
3.25	3.00	..	..	Cdn. Convert. A	nil	..	B3.00	..	3.00
14	14	..	..	Do. B	nil	..	B4	A4¼	14
9½	5	..	..	Cdn. Cottons ...	200	6¾	†10	6	†10
7	5	..	..	Do. pref.	55	5½	7	5½	7
1.65	1.35	..	..	Cdn. Curtiss W.	17250	1.45	1.50	1.45	1.45
14	9¾	*.15	..	Cdn. Drawn Stl.	nil	..	B12	A13	12
11½	9½	.60	+*▲▲.16	Do. pref.	100	10¼	10¾	10⅝	10⅝
23½	13	*1.15	..	Cdn. Dredge ..	5263	23⅜	23½	23¼	23¼
8	6¾	2s3d	4.4	Cdn. Eagle Oil .	600	8	8	8	8
8½	6¼	..	..	Cdn. Eagle Bear.	1000	8¼	8	8	8
25	15	1.20	5.0	Cdn. Fairb.	628	24	25	24	24
107	105½	6.00	5.7	Do. pref.	nil	..	..	..	105½
3.80	2.50	..	..	Cdn. Food Prod.	350	3.50	3.50	3.25	3.25
8	7	..	..	Do. A	nil	..	B7	A7½	7
48	37	..	..	Do. 4½% pref..	75	44½	45	45	45
695	695	8.00	+*▲▲2.00	Cdn. Gen. Elec..	nil	..	B748	..	693
32	25	1.20	+*.15	Cdn. G. Inv. ..	785	30	30¾	30	30¾
26½	16	1.00	+*•	Cdn. G. Sec. A .	350	20	20	19½	19⅝
19¾	15½	1.00	+*•	Do. B	nil	..	B21	A23	19¾
3.00	2.00	..	..	Cdn. Hydrocarb.	2077	8⅛	8⅜	8¼	8¼
17½	15½	.10	..	Cdn. Ice Mach. ..	nil	..	B6½	..	17½
10½	10½	.80	6.7	Do. A	nil	..	B11½	A12¼	†12
18	13½	*.40	..	Cdn. Indust. ..	5870	17⅞	18	16½	17⅞
85	78	3.75	4.5	Do. pref.	13	82	83	83	83
55	41	*2.00	+2.50	Cdn. Ingersoll R.	525	55	53	47	49¼
19	13	*.70	..	Cdn. Int. I. Tr..	2	15	15	15	15
78½	78½	5.00	6.3	Do. pref.	nil	..	B80	..	179
19½	16	..	..	Cdn. Int. Pwr. ..	1820	19	19½	18⅞	19⅛
48	44¼	3.00	6.5	Do. pref.	3015	45¾	46½	43¾	46½
15	10	‡.50•	..	Cdn. Locomo. ..	65	13½	13	13	13
3.30	1.90	‡.06	..	Cdn. Marconi ..	1085	3.00	2.85	2.85	2.85
30½	23	.80	3.0	Cdn. Oil	6498	28¾	28¾	26¾	26¾
88½	85	4.00	4.5	Do. 4% pref. ..	225	87	87	A83	†80
105	97½	5.00	4.8	Do. 5% pref. ..	30	102½	105	103¾	104
160	150	8.00	5.3	Do. 8% pref. ..	5	155	152	152	152
12	5½	..	..	Do. warr. 1953.	150	11¼	11	10½	10½
4.00	.50	..	..	Do. warr. 1955.	13210	1.85	1.85	.95	.95
28¼	20⅞	1.50	+2.25	Cdn. Pacific	10044	27¾	27¼	27	27¾
16¼	13⅜	•▲	..	C. Petrofina pf.	1282	14	14⅜	†13½	†13½
7	5	*.20	..	C. P. & Pa. Sec.	225	6¼	6¼	6¼	6¼
1.80	1.25	..	..	Cdn. Propane ..	2300	1.75	1.75	1.70	1.70
22⅜	20	..	..	Cdn. Salt	175	22	22	22	22
2.50	1.75	•	..	Cdn. Silk A	nil	..	B1.60	A2.00	2.00
123½	81	.60	+*.10	Cdn. Tire	143	119	123⅛	119¾	123
..	1.00	..	4.8	Do. pref.	nil	..	B21	..	21
100	92	5.00	5.3	Do. pref.	94	..	95½	95	95½
85	85	4.25	5.4	Do. 4¾% pf. ..	nil	..	B81	A85	†79
30	21	1.50	5.3	Cdn. Vickers ..	347	28½	28½	28	28¼
27	20	*.40	..	C. Wallpaper A	110	27	25	25	25
27	19	*.40	..	Do. B	20	26	25	25	25
17	15	.80	5.2	C. W. Gas 4% pf	190	15	15½	15	15½
21¾	20	.10	5.2	Do. 5½% pf. ..	245	20½	21	20¼	21
44	44	3.00	2.0	C. Westinghouse	110	53	51	51	51
7.25	4.90	*▲.15	+.05	Capital Estates	2125	7.00	7.12½	7.00	7.12½
1.45	1.35	..	..	Carling Br. 'Alta	nil	..	B1.20	A1.45	1.40
1.30	1.25	..	..	Do. V.T.	nil	..	B1.15	..	1.25
11½	11	.60	+*.30	J. B. Carter A ..	nil	..	B11½	A12¼	†12¼
30	30	‡1.00	..	Do. B	nil	..	B30	..	30
40	29	.50	+*.37	Catelli Food A ..	100	40	38	38	38
41	40	1.00	+*.37	Do. B	nil	..	B43½	..	40

Range 1958 High	Low	Div. Y'ld R'teSep12 $	%	Company	Sales	Last Sep. 5	Week end. Sep. 12 High	Low	Close or Latest
34	20½	1.00	2.9	Cent. Can. Invest.	242	32¼	34	34	34
†98½	†96	5.00	5.1	Do. pref.	nil	..	B96½	..	†96
53	50	1.40	2.5	Chart. Trust	130	53	55	55	55
19	14½	1.00	5.4	Chateau-Gai. ..	425	†18½	19	18½	18½
55	43½	*1.25	+11.00	Chrysler Corp. ..	100	50⅞	53⅞	53⅛	53⅞
1.00	1.00	*1s	..	Cinzano A	nil	..	B1.10	..	1.00
..	..	..	..	Do. 5½% pref.	nil	..	B1.10	..	..
..	..	..	..	Cie. Fin. de Suez	nil	..	..	A2.50	2.00
..	..	..	..	Circle Bar Knit..	nil	..	..	..	..
4.00	3.00	..	..	Do. A	25	3.50	3.50	3.50	3.50
20½	16½	*•	..	Cochrane-Dun.•	200	19	19¼	19¼	19¼
14	13	.80	5.6	Do. A	nil	..	B14¼	A16½	†14¼
14¼	7⅞	..	..	Cockshutt Farm.	5299	13	13¼	12¾	13⅛
16	13	1.00	6.1	B. J. Coghlin	1635	16	†16½	16	†16½
†18	†15	.75	+*.25	Coll. Terminal ...	nil	..	B15	..	†18
17	12	.75	+*.25	Do. pref.	200	15	17	17	17
13	10	.60	4.8	Comb. Enter.	1100	12⅞	12⅞	12½	12½
9⅞	8	*.50	..	Conduits Nat. ..	200	9¾	9½	9½	9½
167	87	2.00	1.2	Conf. Life	60	167	167	166	166
9½	7	.50	6.5	Cons. Bakeries ..	322	7¾	8½	7¼	7¾
1.00	.85	..	..	Cons. Div. Sec. A	680	1.70	.90	.90	.90
28	▲28	2.00	7.1	Do. pref.	nil	..	B30	..	28
3½	3¼	•	..	Cons. Fire Ins. .	nil	..	B3	A5	3¼
..	..	1.00	6.1	Cons. Food	nil	..	B21½	..	16½
21½	16¾	.80	+*.20	Cons. Min. & Sm.	7873	20½	20¾	20¼	20¼
38¾	28	1.60	+*.40	Cons. Paper	10367	37⅞	38½	36¾	37
3.50	2.00	..	..	Cons. Textiles ..	1000	2.50	2.50	2.50	2.50
..	..	1.00	6.7	Do. pref.	nil	..	..	A15	†15
34¾	29	.80	2.4	Consumers Gas .	8851	32½	33	31	33
108	104	5.50	5.2	Do. A pfd.	5	107¼	106⅝	106⅝	106⅝
32	23	1.50	4.7	Consumers Glass.	253	32	32	31½	32
43•	43	▲1.80	..	Cont. Can.	nil	..	B48¼	A48¾	43
6	4½	.30	5.0	Copp Clark	1660	5½	6	5½	6
18½	16¼	1.10	6.0	Corbys Vot.	2344	18¼	18½	18	18⅜
18½	16	1.10	6.2	Do. B N. Vot. .	680	17¾	18	17¾	17¾
12	10½	.70	+*.10	Cosmos Imp.	50	12	12	12	12
3.00	2.50	2.00	7.1	Craig Bit	nil	..	B2.60	A3.00	2.80
35	22	1.00	2.9	Craft. R. L.	nil	..	B31	A33	35
175	3¾	1.10•	..	Credit Accept. ..	175	4¾	4½	4½	4½
1.90	1.25	..	..	Crestbrook Tim.	700	1.50	1.50	1.40	1.40
20	18¾	▲2.06	½•	Do. pref.	nil	..	..	A18½	†17½
.90	.60	..	..	Do. warr.	150	.73	.60	.60	.60
50⅝	43	2.00	4.0	Crown Cork	1	50⅛	50	50	50
24	16½	.80	3.4	Crown Trust	100	23	23½	23½	23½
55	43	▲1.80	..	Crown Zeller	437	53½	55	53¾	54
22½	19¼	*▲.60	..	C. Zeli (Can.) A	727	21½	21¼	20	20
20	14	.60	3.0	Crow's N. Coal .	nil	..	B19	A25	20

D

90	90•	7.00	7.8	Dalex Co. pfd. .	nil	..	B85	A91	90
48½	43•	3.00	6.2	David & Fre. A .	100	45	48½	46½	46½
12	7½	..	..	Davis Leather A	nil	..	B10¼	A11	16½
3.25	2.50	..	..	Do. B	nil	..	B3.00	A3.50	3.25
..	..	*5.00	..	De Havilland A .	nil	..	B250	..	250
30⅝	25¼	1.20	+1.50	Distill-Seagram .	10580	..	30½	30⅝	30	30½
..	..	*10.00	+6.00	Dom. Ang. Inv. .	nil	..	B410	..	455
..	..	5.00	5.7	Do. pref.	nil	..	B93	..	†87¼
24	20¾	.80	+*.20	Dom. Bridge	12165	23¼	23½	22¼	23¼
12	7¼	..	..	Dom. Coal pref. .	625	9	9½	9½	9½
17	13	1.00	6.3	Dom. Corset	455	17	16	16	16
8⅝	8	..	..	Dom. Dairies	nil	..	B8	A10	†8¾
17¾

Mining Stocks

WEEK ENDED SEPTEMBER 12

Range 1958 High	Low	Company & Dividend ($)	Sales	Last Sept. 5	Week Ending Sept. 12 High	Low	Close or latest
.13	.05	Acadia Ur. ..	2000	.06½	.06½	.06½	.06½
.12	.05	Ad Astra ..	20500	.07	.09	.06	.09
4.35	2.31	Advocate	121870	3.35	4.35	3.25	4.10
.31	.14	Agassiz	6500	.25	.31	.25	.31
.70	.35	Agnico	28312	.60	.60	.52	.52
.75	.33	Akaitcho	19720	.65	.69	.62	.65
.09	.04	Alba	46250	.07	.08½	.08	.08
18.75	12.87½	Algom	4721	16.62½	16.87½	16.59	16.75
100.00	94.00	Do. 5% debs.	270	99.62½	99.62½	99.25	99.25
7.35	4.15	Do. Warr. ..	3495	5.65	5.60	5.00	5.50
...	...	Do. V.T.	nil	...	...	...	21.50
.49	.12	Alscope	180200	.46½	.47	.36	.36
.07½	.04	Alta	nil	....	B.07	A.08½	.07½
.24	.10½	Amal. Lard. .	2500	.15	.16	.15	.15½
.60	.13	Amal. R. M. .	15580	.18	.18	.17	.17
.11	.04½	Amer'm.	1400	.05	.05	.05	.05
.86	.64	Am.-Nesh. .04	7,900	.70	.72	.72	.72
.10	.06	Amer. Stand. .	nil	....	B.07	A.09	.09
.68	.40	Anacon	12266	.49	.52	.43	.50
13.87½	8.70	Anglo-Hur. .50	750	11.50	11.50	11.50	11.25
.42	.23	Anglo-Rou. .	nil	....	B.27	A.34	.27½
.33	.12	Ansil	28513	.25	.28	.23½	.26
.17	.06½	Anthonian ..	nil	....	B.06	A.10	.09
.32	.12	Arcadia	19000	.16½	.18	.15	.17
.18	.05	Do. warr. ..	200	.09	.09	.09	.09
1.45	.54	Area	59700	1.13	1.15	1.00	1.02
.19½	.07	Arlon	19500	.15½	.16	.13	.14
.06½	.03½	Arno	4000	.05	.04	.04	.04
.08½	.04	Atlas Salp. .	2000	.05	.06	.05	.06
.19	.06	Atlas Y'fe ..	2000	.08½	.08½	.08½	.09½
.23	.17½	Atlin-Ruff ..	88800	.20	.23	.20	.21
.08	.04	Aubelle	11000	.06	.06	.05	.06
.18	.06	Ault	42000	.10	.12	.09	.11½
.21	.11½	Aumacho	16800	.12½	.13½	.12	.12
.16	.06	Aumaque	13000	.10	.10	.09½	.09½
2.55	1.93	Aunor .16 ..	1400	2.45	2.45	2.40	2.45
.11	.03	Avillabona ..	10265	.07	.07	.05	.06½

B

.38	.22	Baker Talc ..	13900	.25	.29½	.25	.29
.06	.03	Band Ore	4400	.05	.05½	.03	.05½
.24	.13½	Bankeno	2100	.16	.18	.17½	.17½
.12½	.06½	Bankfield	2400	.08½	.08½	.08½	.08½
2.82	.19	Barnat	196980	1.99	2.02	1.81	1.81
.06½	.04½	Barvallee	1500	.06	.05½	.05	.05
.22	.10	Barvue	4100	.17	.17	.16	.17
.83	.51	Barymin $.03	3900	.73	.70	.70	.70
.30	.18	Base Metals ..	3200	.20	.20	.20	.20
.30	.13	Baska	11500	.18	.18	.16	.16½
.25	.13	Bateman	2600	.15	.18	.17½	.18
.10	.04	Beatrice	8000	.05½	.06	.05½	.05½
.28	.17½	B'Tie'dug ..	19965	.20	.21	.18	.18½
1.07	.30	Beaucage	12350	.35	.35	.30	.34½
.26	.12	Beaver L'ge .	11000	.22	.21	.19	.20
1.55	.86	Beecher	35490	1.10	1.16	1.05	1.08
.55	.30	Bellechase ..	13500	.35	.35	.32	.32
.11	.05½	Bell-Chib. ..	7000	.07	.07	.05½	.05½
3.00	1.30	Belleterre .10	1000	1.75	1.80	1.65	1.65
1.25	.53	Bethle'm	24470	.99	1.03	.93	.98
.22½	.10½	Bevcon	340760	.21	.23	.19	.20½
.08	.04	Bibis-Yuk ..	2000	.06	.06	.05½	.06
1.35	.88	Bidcroft	24113	1.10	1.12	.96	.98
.60	.10	Do. warr. ..	8550	.20	.18	.15	.16
.24½	.09	Bidcop	97470	.17	.24½	.18	.22
.33	.20	Black Bay ..	18000	.24	.24	.20	.23
.10	.04½	Bonville	10.000	.05½	.06	.05½	.05½
.14½	.05½	Bordulac	25000	.07	.08	.06½	.07
.22	.22	Boreal	131000	...	.32	.22	.31
.24	.07	Bornite	18800	.10	.10½	.10	.10
.17½	.06½	Bouscadillac	23000	.08	.08	.06½	.07
.60	.35	Bouzan	10400	.45	.50	.40	.46
.16	.07	Boymar	11000	.08	.08½	.08	.08
6.50	4.30	Bralorne *.30	4540	6.10	6.10	5.95	6.00
.65	.44½	Broulan Reef	8200	.60	.60	.55	.55
.07½	.04½	Brunhurst ..	4000	.06	.06	.05	.05
.07½	.05½	Brunsman	2000	.06	.06	.06	.06
3.30	1.95	Brunswick ..	1050	3.10	3.00	2.95	3.00
.09	.05	Buffadison ..	2800	.07	.07	.05	.06½
1.34	.73	Buffalo Ank.	500	.93	.90	.90	.90
.12½	.04½	Buff. R.L. ..	3700	.08	.09	.08	.09
4.40	3.00	Bulolo .50 ..	1250	3.60	3.90	3.60	3.90
.16	.06½	Bunker'l Hill	2600	.10	.10	.09	.10
.21	.08½	Burnt Hill ..	11100	1.08	.10	1.06	1.06
.45	.30	Burrex	1000	.45	.30	.30	.30

C

.38	.12	Cable	36065	.28	.34	.28	.29½
.09	.04	Calumet	8500	.05	.06½	.05½	.06½
3.65	3.95	Camp. Chib. .	19375	5.40	5.75	5.35	5.75
...	...	Camp. R.L. ..	...	...	...	...	...
8.90	5.15	Can.-*.05 ..	525	8.65	8.65	8.50	8.55
		Canadian					
.09½	.05	Cdn. Ast. ..	6200	.07	.07½	.07	.07
1.08	.49	Cdn. Dyno ..	4840	.68	.68	.65	.65
.21	.11½	Cdn. Lith. ..	3500	.12½	.12½	.12	.12½
.75	.19	Cdn. Mal. ..	148125	.64	.71	.61	.65
.25	.14	Cdn. N. Inca	3214	.21	.24	.22	.24
1.09	.27	Cdn. N'west	60899	.44	.50	.44½	.50
.17	.06	Cdn. Thor ..	6125	.06½	.07	.06½	.07
.33	.05½	Canalask	24970	.06	.06	.05½	.06
.20	.12	Canam	5000	.28	.28	.25	.25
.23½	.14	Candore	20516	.20½	.20½	.17	.19½
.28	.15	Can-Erin	122833	.24	.28	.23	.24
1.26	1.10	Can. Met. ..	48210	1.20	1.22	1.10	1.10
.25	.10	Do. warr. ..	10600	.48	.50	.40	.40
.27	.15	Canorama	12200	.28	.27	.23	.25
.11½	.04	Canuba	18200	.04	.04½	.04	.04½
.05½	.03½	Canusa	2200	.04½	.05½	.04	.05½
.17½	.09¼	Capital	3300	.12	.11	.11	.11
.21	.09	Captain	33000	.13	.13½	.12	.13
.84	.16	Capiboc	16050	.74	.79	.75	.79
.05½	.02½	Cartier M. ..	8000	.04	.04	.03	.04
		Castar Asb. ..					.01
8.40	5.40	*.10	8725	7.75	8.00	7.60	7.60
3.75	3.25	Castle-Tre. .15	200	3.50	3.75	3.50	3.75
4.25	3.00	Cayzor	1600	3.00	3.25	3.00	3.25
.12	.04	Cen. Man. ..	42100	.10	.12	.10	.11
1.18	.66	Cen. Pat. ..	2200	.94	.95	.95	.95
.07	.07	Cen. Pore. ..	28100	.06½	.09	.05	.09
.12	.05½	Cheskirk	228650	.06½	.06½	.05½	.06
.38	.16	Chesterville .	8500	.22	.22	.17½	.17½
.65	.31	Chib. Jac. ..	10300	.45	.49	.43	.43
.17	.10	Chib. K'rand	14600	.15	.16	.13	.13
1.01	.50	Chib. Min. ..	18350	.80	.94	.76	.90
.69	.40	Chimo	25700	.53	.59	.52	.52
.16	.06	Chipman	5500	.08	.09	.07	.07
3.50	2.25	Chromium ..	500	2.70	2.70	2.60	2.60
.18	.07½	Cleveland ..	2000	.10	.10	.10	.10
...	...	Clx	nil	....	...	...	.12
3.00	1.85	Coast Cop. ..	150	2.90	2.90	2.90	2.90
2.15	1.80	Cochen'r *.05	25500	2.62	2.60	2.50	2.53
.36	.12	Cody-Reco ..	27000	.21½	.23	.20	.20
.19½	.10¼	Coin Lake ..	1500	.13	.13	.13	.13
.47½	.20¼	Co.'stream ..	69500	.31	.32	.28	.32
.20	.16	Do. B	nil	....	....	....	.13
.10	.04½	Colomac	18300	.08	.08	.07	.07
1.05	.29	Comb. Metals	12948	.38	.40	.34½	.34½
.66	.26	Commercial ..	16500	.43	.43	.40	.42
.55	.14	Cominga	7000	.20	.15	.14	.14
.95	.50	Coniagas	14100	.59	.59	.56	.56
.35	.26	Coniaurum ..	nil	....	B.20½	A.34	.31
.35	.20½	Conkey	1500	.22½	.23	.23½	.22½
.19	.07	Con. Rykeno .	8432	.12	.12	.11	.11½
.20	.07	C. Beta	3107	.14	.12	.10	.10
.07	.05	C. Bi-Ore	1000	.05	.05	.05	.05
.20	.10	C. Callinan ..	13350	.13	.15	.13½	.14
.10½	.05½	C. Cad. ..	7500	.07	.07½	.07	.07
16.62½	10.25	C. Denison ..	29164	15.00	15.00	13.50	13.87½
6.00	3.10	Do. warr. ..	16775	4.80	4.80	4.00	4.25
3.35	2.30	C. Dise'y *.10	6835	3.50	3.50	3.40	3.45
.73	.48	C. Fenimore.	15998	.62	.62	.56	.56
.09	.05½	C. Gillies ..	nil	....	B.08	A.09	.08
.35	.13½	C. Gold. Arr.	5509	.17	.17½	.16½	.16½
...	...	C. Goldfield .	nil	....	...	...	.00½
.95	.25	C. Hall'well .	260925	.50	.56	.51	.55
2.55	1.62	C. Howey ..	2420	2.25	2.17	2.05	2.05
.57	.19	C. Marbenor.	190400	.34	.57	.34	.44
.67	.29	C. Marcus ...	3231	.55	.54	.50	.50
2.93	1.13	C. Mogul	11915	1.79	1.85	1.76	1.81
.10	.05	C. Monpas ..	nil	....	B.08	A.09½	.10
.32	.17	C. Morrison .	19600	.25	.26	.24	.24½
.77	.48	C. Mosher ..	6200	.68	.70	.63	.67
.50	.16	C. Negus	23100	.26	.26	.26	.26
.14	.04	C. Nich.	3971	.06½	.07	.06	.06½
.45	.24	C. Northland.	7250	.32	.32	.31	.32
.13½	.09½	C. Petshcourt	2000	.12½	.12	.12	.12
.50	.40	C. Que. G. ..	nil	....	B.36	A.45	.41
.13	.05	C. Que. Y. ..	4700	.06	.06	.04	.05½
.14	.08½	C. Red Pop. .	7000	.09	.10	.09½	.09½
.23	.12½	C. Regcourt .	36100	.15	.16	.14	.14
.12	.04½	C. San'rm ..	18500	.07	.08	.07	.08
		Con. Smelt.					
21.50	16.37½	.60 -/*.20 ..	7873	20.50	20.75	20.12½	20.25
.90	.55	C. Sud'ry ..	12400	.67	.69	.67	.68
4.00	.25	Cont. Min. ..	26300	.51	.51	.43	.43
.55	.30	Cont. Potash	100	.35	.35	.35	.35
4.10	2.29	Conwest	2300	3.20	3.30	3.20	3.25
.29½	.15	Copper Corp.	6400	.20½	.22½	.20	.20
.16	.07	Copper Man..	34821	.16	.15½	.13½	.13½
2.36	1.05	Cop-Rand ..	14999	1.84	1.90	1.75	1.80
.78	.33	Coulee	25100	.62	.63	.54	.64
.10	.06	Cournor	20552	.07½	.10	1.05	.09½
.90	.54	Cowichan ...	8400	.70	.80	.65	.65
3.95	1.90	Craigmont ..	17400	2.65	2.75	2.60	2.70
.13	.07½	Crestaurum .	2000	.10	.10	.09½	.09½
.14	.06	Croinor	19500	.12	.13	.09½	.12
.21	.07½	Crowpat	9225	.10½	.11	.10	.10½
.01	.01	Cryderman .	nil	....	B.01	A.02	.01
.30	.07½	Cusco	47900	.13½	.17	.13	.14

D, E, F

.20	.10½	Dablon	1000	.17	.16	.16	.16
.90	.15	Daering	15675	.45	.45	.35	.35
.65	.12	D'Aragon ...	378650	.55	.64	.53	.60
.37	.22½	Decoursey B.	13212	.25	.26	.25	.25
.25	.10½	Deer Horn ..	2500	.14½	.17	.15	.17
.19	.07½	D'Eldona ..	3932	.08½	.10	.10	.10
.67	.46	Deinite $.02 .	16000	.53	.64	.58	.58
.12	.08	Dickstone C.	nil	....	B.09	....	.12
.47	.20	Dolsan	7500	.24	.23	.21	.23
		Dome					
18.50	11.00	.70 -/*.05 ..	1739	15.62½	15.75	15.25	15.25
.26	.08	Donalda	319800	.12½	.16	.12	.12½
.04	.02	Doreen	8000	.03	.03	.03	.03
.25	.11	Duvan	17100	.16	.16½	.15½	.15½
.17	.07	Duvex	197600	.14	.14	.12	.13
.25	.08½	East Amph. ..	133600	.21	.22	.19	.20
1.89	1.30	E Mal. $.05 .	6200	1.79	1.78	1.60	1.60
2.15	1.40	E. Sull. *$.15	14550	1.95	2.15	1.95	2.00
.13	.07	East. Metals .	4600	.09	.10	.07½	.09½
1.02	.26	Elder	6368	.76	.80	.74	.78
.42	.19	Eldrich	5400	.35	.38	.31	.31
.18	.10	El Sol	14913	.10½	.11	.10	.10½
.35	.21½	Eureka	18808	.25½	.26½	.25	.25
.24	.12	Explor. All. .	23900	.18½	.17½	.15	.15½
.13	.08	Fab. Met.	1000	.11	.09½	.09½	.09½
		Falconbridge					
28.00	21.00	1.00 -/*.10 .	12293	24.25	26.00	24.00	25.50
.11	.03	Fano	5000	.06½	.06	.06	.06
1.78	.97	Faraday	17350	1.19	1.18	1.10	1.12
.80	.30	Do. warr. ..	7590	.32	.43	.30	.37
.38	.18	Farnorth	8000	.21	.20½	.20	.20
.21	.09½	Farw't Tung.	13550	.15	.15½	.14½	.14½
.79	.51	Fatimo	13700	.57	.56	1.50	1.50
.13	.05½	Federal	56500	.06	.06½	.05½	.06
.01	.00¾	Flin Flon	1000	.01	.00¾	.00¾	.00¾
.06	.03	Fontana $.45 .	300	.05	.05	.05	.05
.65	.21	Forty-Four ..	1266	.50	.50	.40	.40
.19	.05½	Francoeur ..	190450	.14	.19	.16	.16
.09	.05	Friday	3500	.05	.07½	.07	.07½
2.25	1.18	Frobisher	15110	1.61	1.65	1.54	1.55
78.00	63.00	Do. 4% deb. .	53	68.00	74.00	68.00	73.00
.13	.05½	Fundy Bay ..	3500	.09½	.07½	.06	.07

G

29.25	19.00	Gaspe Cop. ..	10	28.00	25.00	25.00	25.00
15.50	7.95	Geco	3710	14.12½	14.00	13.25	13.25
.25	.10½	Genex	4100	.24½	.20	.18	.18½
.54	.27	Geo-Scient. ..	9400	.50	.50	.45	.49
.15	.09	Giant Mas. ..	1000	.11	.11	.11	.11
7.05	4.25	Giant Y'fe ..	1987	5.40	5.60	5.35	5.50
2.10	.19½	Glacier	500	.25	.26	.26	.26
.17	.09	Glenn Ur. ..	9800	.12½	.12	.11½	.12
.21	.14	Goldale	11800	.17	.17	.16½	.16½
.22	.05	Gold Eagle ..	239600	.19	.20	.16	.18
.02	.00¾	Gold Lake ..	nil	....	B.01	A.02	.01
.41	.20	Gold. Age ..	2400	.28	.30	.30	.30
.45	.25	Gold. Man. ..	15456	.36	.37½	.33	.37
.68	.07½	Goldfields ..	43900	.28	.29	.26	.27
.11½	.07	Graham R. ..	23600	.08	.08	.07	.07
6.60	4.00	Granby	200	5.75	6.50	6.00	6.50
.49	.17	Grandroy	9857	.19	.18	.17	.17
1.75	.92	Granduc	7600	1.60	1.75	1.60	1.60
.33	.05	Grandview ..	nil	....	....	A.37	.33
....	....	Great Falls ..	nil	....	B.00¾	A.01	.03
.28	.16½	Greyhawk ..	39300	.17½	.18	.17	.17½
.09½	.04	Gul-Por Ur. .	19000	.07	.06	.04	.04
.22	.08½	Gulch	22900	.19	.21	.18	.18
.11	.07	Gulf Lead ..	nil	....	B.08	A.09	.07½
19.75	12.75	Gunnar G. ..	28638	18.12½	18.25	16.50	16.50
8.70	5.70	Do. warr. ..	13450	8.10	8.10	7.25	7.25
.12	.04½	Gwillim L. ..	12600	.06½	.08	.06½	.07

H, I, J

.09	.02½	Haitian	31100	.04½	.05	.04½	.05
2.15	1.70	Hallnor *.09 .	nil	....	B1.65	A2.20	1.85
1.04	.48	Halmon	39700	.57	.56	.48	.53
.14	.03½	Hard Rock ..	4100	.10	.10½	.10½	.10½
.16	.08	Harr. Min. ..	187600	.12½	.18	.12½	.17
.21	.12½	Hasaga	6033	.18½	.18	.16	.16
.11	.06	H'd of Lakes	11000	.09	.08½	.07½	.07½
.79	.33	Headway	75800	.63	.70	.58	.67
.10	.06	Heath	115500	.07½	.09½	.07	.08
.06½	.04½	Heva	2000	.05	.05	.05	.05
1.60	1.10	High-Bell *.05	2000	1.34	1.40	1.35	1.38
		Hollinger					
25.50	20.50	.24 -/*.18 ..	5052	24.62½	25.25	24.50	24.75
5.00	3.05	Hoyle	2045	4.10	4.15	3.90	3.90
31.37½	29.25	Hud. Bay 3.00	1850	31.00	51.00	50.50	51.00
.28	.15	Hugh-Pam ..	500	.23	.21	.21	.21
1.50	.60	Indian Chem.	nil	....	B1.40	A1.50	1.40
.10	.05	Indian L. ..	78100	.06	.07	.06	.06
.68	.40	Inspiration ..	5100	.45	.47	.45½	.45½
.69	.16	Int. Ceramic.	7700	.18	.21	.17½	.17½
		Int. Nickel					
83.12½	69.37½	2.60 -/-11.15 .	27591	81.00	83.12½	80.72½	82.50
.72	.18½	Int. Ranwick	126800	.33	.36	.31	.31
2.50	.32	Irish Cop. ..	357500	2.10	2.25	2.05	2.15
1.97	1.40	Iron Bay	1400	1.80	1.80	1.75	1.75
.44	.25	Iso Uran. ..	18200	.37	.41	.36	.36
.26	.12	J. Waite $.02	4000	.21	.21	.20	.21
.94	.37	Jaye	68000	.69	.69	.65	.67
.13	.08	Jeanette	5500	.10	.10	.10	.10
.22	.10	Jellicoe	14576	.13	.14	.13	.13
1.20	1.05	Jourdan	93000	.14	.17	.15	.16
.39	.20	Joliet Que. ..	11011	.31	.30	.28	.28
.24	.08	Jonsmith	35000	.15	.17	.14	.16
.68	.38	R. J. Jowsey .	17063	.50	.50	.47	.47

K, L

.08	.05	Kenville	6500	.06	.06	.05½	.06
19.25	14.75	K.-Addison .80	4931	18.62½	18.87½	17.50	18.25
2.06	.95	Kilembe	700	1.60	1.80	1.70	1.80
.70	.27	Do. warr. ..	1800	.40	.48	.43	.43
.08½	.05	Kirk. H. Bay	11400	.05	.06½	.06	.06½
.73	.35	Kirk. Min. ..	3718	.38	.37	.35	.37
.14	.08	Kirk. Town..	9000	.11½	.13	.11	.13
.09	.05	Kentiki Ld. .	5500	.06½	.06½	.05	.05
.02	.01	Koot. Base ..	nil	....	....	....	.01
21.50	14.75	Labrador *.25	7750	21.00	21.50	21.00	21.25
1.18	.90	Lake Cinch ..	9700	1.10	1.13	1.10	1.12
.80	.40	L. Dufault ..	1900	.65	.70	.66	.68
.12	.07	L. Lingman ..	14000	.09½	.09½	.09	.09
.29	.16	L. Osu	7800	.22½	.22	.21	.21
5.25	3.90	L. Shore	4245	5.10	5.15	5.10	5.10
.26	.15	L. Wasa	5000	.21	.20½	.20½	.20½
3.30	2.75	La-Luz	nil	....	B3.00	A3.25	3.00
2.95	2.20	Lamaque .10 .	7350	2.65	2.75	2.60	2.65
.50	.18	Latin Am. ..	500	.26	.25	.26	.26
1.68	.95	Leitch G. *.06	14100	1.36	1.45	1.35	1.36
.18	.06	Lencourt	113000	.13	.18	.13	.15
.07	.04	Lexindin	25600	.04½	.05½	.04½	.05
.09	.04	Lingside	1500	.05½	.05½	.05	.05
.18	.11	Lithium	nil	....	B.08	A.16	.11
2.25	1.50	Little L.L. ..	4250	1.85	1.90	1.80	1.81
.06½	.03½	Lomega	16000	.05	.05	.04½	.04½
.68	.49	Lorado Ur. ..	16300	.56	.59	.55	.55
.50	.24	Do. warr. ..	1450	.33	.30	.28	.28
.11	.06	Louvicourt ..	5000	.11	.11	.10	.11
.37	.10	Lyndhurst ..	33200	.17½	.20	.17	.17½
.11	.05	Lynx Yk.	7700	.10½	.09½	.09	.09

M

		Macassa					
3.20	2.40	.12 -/-1.03 ..	8430	2.99	3.20	2.99	2.99
.35	.24	MacDonald ..	11000	.26	.26	.24	.24½
.15	.05	Macfie	49000	.09	.13	.11	.12
1.24	.90	Macleod $.10 .	24500	1.10	1.15	1.00	1.10
		Madsen R.L. ..					
2.80	1.70	*.05 -/-.05 ..	7903	2.45	2.45	2.35	2.36
.08	.04	Magnet	5600	.05½	.05½	.05½	.05½
.06	.03	Majortrans ..	377000	.04	.05½	.04	.05
1.30	.92	Malartic $.05 .	4565	1.03	1.06	.95	.95
.12	.06½	Maneast Ur. .	11540	.08	.08	.07	.07½
.93	.25	Maralgo	103750	.44	.45	.37	.39
.12	.05	Marcon	4000	.07½	.08	.07½	.07½
1.21	.40	Maritimes ..	173500	.96	1.14	.95	1.01
.45	.15	Marpic	12600	.20	.20	.15	.15
.35	.08½	Martin McN..	70700	.29	.29	.27	.27
....	....	Massberyle ..	nil	....	....	A.25	.25
.50	.16	Matachewan.	38500	.22½	.22	.20	.21½
.28	.12	Maybrun	18900	.15	.17	.15	.15
		McIntyre					
86.00	67.25	*2.00 -/*1.00 .	896	84.75	85.50	83.00	83.00
.56	.10½	McK. R.L. ..	25850	.35	.35	.32	.32
.22	.06½	McMarmac ..	73120	.14½	.18	.14	.15
.35	.14	McWatters ..	9600	.22	.22	.21	.21
.20	.09	Mentor Exp. .	5200	.13	.14	.13	.13
1.00	.61	Merrill Is. ..	17000	.80	.82	.75	.78
.17	.08	Meta Ur.	90333	.09½	.10	.09½	.09½
.68	.35	Mid-Chib. ..	7900	.42	.41	.35	.35
1.18	.65	Midrim	4200	.88	.95	.90	.90
.20	.08	Midwest	9000	.12	.16	.12½	.16
3.15	1.77	Milliken L. ..	38103	2.54	2.54	2.11	2.20
.11	.07	Mindamar ..	2000	.09½	.09½	.07½	.07
14.25	9.10	Ming Corp. *.25	7395	12.75	13.50	12.25	13.37½
.24	.08	Min. Ore	114871	.23	.23	.19	.20
.12	.07½	Mogador	51367	.11	.11	.10	.10
1.25	.82	Molyb'nite ..	1700	.87	.85	.82	.82
.77	.62	Moneta	16890	.70	.68	.67	.67
.68	.28	Monpre	2450	.30	.35	.28	.31
.89	.40	Montgary	19500	.52	.55	.48	.55
.82	.55	Mt. Wt. Iron	16850	.65	.65	.58	.60
.72	.41	Multi-Min. ..	23000	.66	.67	.63	.65

N

.36	.16	Nama Cr.	55316	.17½	.20	.16½	.19½
.26	.13	Nat. Ex.	44588	.14	.15	.13	.13
.10½	.04½	Nealon	91700	.06	.07½	.06	.06
.19	.11	Nello Min. ..	nil	....	B.14½	A.17½	.15
.44	.22	Nesbitt L. ..	21300	.36	.38	.34	.34
.16	.03½	N. Ainsworth	10000	.04½	.04¾	.04½	.04¾
.14	.06	N. Alger	4500	.09	.08½	.08	.

ANNOUNCEMENT

FRUEHAUF SALES EXECUTIVES

D. A. GRINSTEAD W. HAMPSON

R. J. Telford, Vice-President and General Manager, Fruehauf Trailer Company of Canada, Limited, announces the promotion of D. A. Grinstead and W. Hampson to the positions of General Sales Manager and Assistant General Sales Manager, respectively, of the Company. These key sales posts have been filled from within the rapidly expanding Canadian organization by two men, each with broad sales experience at Fruehauf and a vast knowledge of the trailer industry.

Since joining Fruehauf at Toronto Branch in 1948, D. A. (Dave) Grinstead served as Office Manager for 4½ years before being appointed Sales Representative in Eastern Ontario early in 1953. Four years later he became Toronto Branch Sales Manager, and earlier this year moved to Head Office at Weston to fill the newly created post of Director of Branches, which he leaves to take over his new duties.

W. (Wilf) Hampson came to Fruehauf in 1949 as Sales Promotion Manager after several years in the transport industry on the service, sales, and operational side. He served as a territory salesman until 1952 and was moved to Head Office as Tank Sales Manager for Canada until this present appointment.

He was Chairman, National Truck Roadeo, in 1955 and has been very active on Quebec and Ontario Roadeo Committees for several years.

WARRANTS
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Petrol Cash, Output Rises

Oil production and cash income rose 49% and 45% respectively in the first half this year over the same period of 1957, **Petrol Oil & Gas Co.** officials report.

Net oil output was 73,471 bbl. this year, up from 49,163 in the first 1957 half, while cash income at $166,180 was up from $114,623.

Cash income includes oil and gas revenue less production expenses.

The full 1958 year should "compare very favorably" with 1957, officials say, but second half results will not likely show the same gains as in the first six months.

Nine additional wells in Pembina (2¼ net wells to Petrol) have been completed and allowables have been "modestly improved."

In the first half this year, net income after management and exploratory expense was $93,147, down slightly from last year's $96,393.

Increased exploratory activity accounts for the decline even though cash income was higher.

Remember 1954, '5 and '6?

Here we Go Again . . .

With a Two-Year Upswing Ahead

REMEMBER HOW OPEMISKA AND CAMPBELL CHIBOUGAMAU RAN FROM AROUND $2 TO $20?

Here we go again. And we think the short sellers who've been hammering Irish Copper and New Hosco are going to get the same sort of surprise as the boys who tackled Opemiska on the short side when in late 1954 and early 1955 it came back from a low of 94 cents to tackle its 1952 top of $2.45. Cronenberg clients have been buying Irish all the way from 75 cents. And after selling New Hosco on its high day, we bought it back right through its scoop to $1.30. These are just two of many issues we feel are major potential copper producers. Others we've bought for as little as half their recent highs are Maritimes, Copper Rand and Granduc. We cover all these issues thoroughly from week to week.

REMEMBER CHEMICAL RESEARCH AND HOW IT STARTED AT $1.50 TO BECOME A GROWTH INDUSTRIAL?

There was about as much confusion concerning this issue in its early stages as there has been concerning a latterday counterpart called Jacobus Mining. Cronenberg clients have bought this stock as low as 80 cents—and some of them are ahead 100 percent or more despite the stock's current suspension of trading. Chemical Research went through a number of buffetings and name-changes, but today as General Developments we're calling it for $25. Watch out that Jacobus, with its intriguing array of new metallurgical processes, doesn't follow a similar course over the **next** four-year cycle. We'll continue to follow this issue's career in our weekly reports.

REMEMBER HOW NICKEL RIM PACED THE JUNIOR NICKELS IN A FAST MOVE FROM $1. TO $5?

Well, we bought Nickel Rim this year at its winter lows, and also picked up some North Rankin at 70 cents. But when they were both 85 cents, our charts told us that a new leader would emerge for the current cycle. We told clients to take profits in Nickel Rim—which moved over 90 to facilitate the process— and buy more North Rankin—which dipped to 80. As we write, North Rankin is $1.27 and still rising. Another nickel issue our bigger clients bought earlier in the year was Inco at $70 and lower. Now it's $84, and we're calling it for $140 over the course of the new bull market.

REMEMBER CONSOLIDATED DENISON AND ITS GIDDY MOVE FROM 30c TO JOIN THE BIG-TIME AT $20?

Four years ago, uranium was scoffed at in much the same way as latterday wonder metals like molybdenum are underestimated today. Remember how the shorts poured on the coal as Denison crossed $1.50? Within a week or two we hope to have reports on a molybdenum prospect which may prove a close counterpart as the new bull market goes to work to test a long-range potential which Cronenberg analyzed last winter in a report calling the Dow Jones Industrials to hit 1,000 in the early 1960's.

If you'd like to test out a few of these exhaustive (and somewhat radical) advisory reports, send $5 for an eight week trial subscription.

Cronenberg reports

4163 Penobscot Building,
Detroit 26, Michigan

Atom Meet Agrees Natural Uranium Future Looks Good

Experts like uranium's long burn-up, a key advantage in atomic fuel economics . . .

By LEONARD BERTIN
FP Science Editor

GENEVA (Staff) — There is a great future for natural uranium oxide, the atom fuel on which Canada has been basing her hopes and her future atom power plans.

During many sessions here at the 2nd International Conference on the Peaceful Uses of Atomic Energy there has been no disagreement on this point.

The U. S., Britain, Russia, France and Canada's own Chalk River establishment have all produced encouraging research results, obtained when employing uranium oxide under the toughest conditions.

Among its promising properties are:

- **Resistance** to temperatures up to around 1,000 deg. C.
- **Absence** of violent reactivity with warm water, in contrast to uranium metal which is very reactive and a source of hazard, under some conditions.
- **Good behavior** under neutron irradiation.
- **Low incendiary** qualities due to the fact that it has already taken up a great deal of oxygen.

All these factors add up to the most important of all economic considerations for an atomic fuel — long burn-up.

This means that it can be left long enough in the pile for a fair percentage of the active uranium 235 constituent of the fuel to be used up.

In military reactors used to make the atomic explosive plutonium, fuel is kept in the pile only for 1,300 of the units known as megawatt days per ton (MWD/ton).

In the case of civil power stations, where the aim is to leave a fuel in as long as possible, it is generally estimated that a metal fuel element could be safely left in for 3,000 MWD/ton.

Canadian and U. S. experts, who originally put her up to the promising qualities of this form of fuel, believe that the figure could easily be increased to 8,000 and possibly to 10,000.

If the percentage of uranium 235 in the uranium is increased above the normal figure of 0.7% by a process of enrichment, many workers believe that oxide fuel elements could remain in the reactor for from 17,000 to 20,000 MWD/ton.

Facts of this sort could make all the difference to the economics of nuclear power but there is a strong body of opinion, especially in independent-minded Europe, which wants to remain independent of U. S. and Russian enrichment plants.

Those of Britain are used exclusively for military purposes.

Dr. "Monty" Finniston, Britain's chief atomic energy research establishment metallurgist, told me:

"Uranium oxide has a fine future especially in heavy water reactors, but one fact has to be remembered.

"If Britain, for example, goes ahead later on with plans for advanced high temperature graphite reactors using oxide it may need to be enriched and this would normally need to be done before it was transformed chemically into the oxide form."

Finniston pointed out that an alternative method might be to enrich natural uranium oxide with oxides of some substance like plutonium oxide.

These, in any case, are plans for the future. At the moment, and so far as natural uranium reactors are concerned which depend on heavy water for an operating medium, oxide seems to be an ideal fuel.

Two companies at present make oxide of nuclear grade on a small scale.

They are **Norton Co.** of Chippewa, and **C.G.E. Carboloy, A.M.F. Canada**, a subsidiary of the **American Machine and Foundry Co.**, which now makes metal fuel elements, is believed to be planning to enter the oxide field.

Canada Must Sell Harder For Atomics

GENEVA (Staff) — While Canadian scientists were getting close attention at the Second International Conference on the Peaceful Uses of Atomic Energy which closed here last week, there were plus and minus signs for the commercial side of the show.

One plus sign: Clyde Kennedy, in charge of the **Atomic Energy of Canada** official exhibit, reported a tremendous amount of interest in the Canadian work.

It has not, so far however, produced any firm orders.

The minus sign: the almost negligible effort put up by Canadian companies in the various exhibits.

Those who attended the exhibitions three years ago when few companies in the world outside the U. S. and Britain were working in the atom field will remember how they made up their minds to make a showing of some sort even if it was only a demonstration of what they had already achieved in other fields.

This time 12 countries had space in the commercial exhibition.

U. K. topped the bill with 84 exhibitors.

France had 100 exhibitors.

U. S. had 57 exhibitors.

Switzerland, Germany, Italy and **Holland** all had big shows and smaller ones included **Liechtenstein, Argentine, Hungary, Austria** and **Sweden.**

There was only a single Canadian exhibitor in this exhibition, **Rio Tinto.**

Instead, three companies took free space offered to them in the Canadian official scientific exhibit at the Palais des Nations.

These were **Canadair** with a swimming pool reactor model and a gadget known as a beta ray spectrometer, **Westinghouse** with a model of their heavy water reactor plant, and **Algom Uranium Mines** with a model of their Nordic Mill at Blind River.

LAKE KINGSTON MINES reports completion of two drill holes on a lead-zinc-calcite property in Frontenac county, Ont. According to the engineer's report, the first hole intersected the ore-bearing structure at the 180-ft. level with a well mineralized core length of 27 ft. The calcite vein was intersected by the second drill hole at approximately 239 ft. and continued in the same structure to a depth of 261 ft.

A-Power Trends

GENEVA (Staff) — Atom power development may be slowed. Even the big powers are wondering whether they may have been pressing on too fast.

Greater use will be made, in the meantime, of ray-emitting radio-isotopes in smaller countries, in research, medicine and in industry.

Greater care will have to be taken, laws and regulations made, to ensure that the public is protected, both against major accidents and also against smaller incidents caused by individual carelessness or ignorance.

Shelf life of some foods, like bacon and sausages, may soon be extended by a factor of five, by irradiating it with activated byproducts or fuel elements of atomic power stations.

Wide use will be made of atomic radiation in the chemical industries of the more developed countries.

One result will be to make possible the manufacture of new substances.

Another, probably, will be the development of synthetic textiles resembling nylon, Orlon, Terylene and others, but which do not collect large amounts of static electricity and stick to the skin.

Underground explosions may be used to open up new mining areas, make it feasible to extricate oil from otherwise unprofitable beds of shale.

Obsolete atomic weapons may be used to create harbors, including possibly one in Alaska.

As for the under-industrialized countries, it does seem that with a few exceptions like India which have large over-all resources, the atomic clock has been put back, so far as power stations are concerned.

Most of them would not have the resources needed to support such a project, especially in emergencies.

The fact that atom power is in the offing will mean for these and also for many of the larger countries that they can afford to consume what coal or oil they have in a fashion that in different conditions would be regarded as reckless.

DOMINION TEXTILE CO. has issued 800 shares to an officer of the company under company's by-law 31, raising number of shares outstanding to 2,576,774.

Defence Contracts

Contracts worth $16,266,240 were placed with Canadian firms during the second half of June by the Department of Defence Production and Defence Construction (1951) Ltd.

Avro Aircraft Ltd., Toronto received contracts totaling $4,014,210 for aircraft components, while **Canadian Aviation Electronics Ltd.**, Montreal, were awarded contracts worth $3,467,718 for electronic material. **Peacock Brothers Ltd.**, Montreal, received contracts for ships' machinery amounting to $1,964,000 and **Fairey Aviation Co. of Canada Ltd.**, Dartmouth, N.S., received contracts totaling $1,018,928.

Here's the list:

Department of Defence Production
June 16-30

Contractor	Commodity	Value
Acushnet of Canada Ltd., Montreal,	aircraft oxygen equipment	$ 67,469
Alpha Aracon Radio Co., Toronto,	capacitors	10,839
Ampex American Corp., Toronto,	electronic equipment	55,530
Automatic Electric Sales Ltd., Ottawa,	electronic components	18,490
Aviation Electric Ltd., Montreal,	aircraft instrument test equip.	55,058
Avro Aircraft Ltd., Toronto,	aircraft components, etc.	4,014,210
Bell Telephone Co., Ottawa,	technical services	39,137
Brantford Cordage Co., Brantford, Ont.,	manila rope	11,225
Bristol Aircraft (Western) Ltd., Winnipeg,	technical publications	10,000
Burns & Co., Saint John, N.B.,	meat	44,123
Burns & Co. (Eastern) Ltd., Ottawa,	dairy products and meat	30,630
Gordon Campbell Ltd., Vancouver,	clothing	10,516
Campbell Mfg. Co., Willowdale, Ont.,	electrical cable	13,012
Canada Bread Co., Toronto,	bread	17,462
Canada Packers Ltd., Edmonton,	meat and dairy products	43,582
Canada West Shoe Mfg. Co., Winnipeg,	footwear	14,102
Canada Wire & Cable Co., Ottawa,	electrical cable	11,644
Can. Applied Research Ltd., Toronto,	technical publications	11,920
Can. Arsenals Ltd., Ottawa,	ammunition components	19,132
Can. Aviation Electronics Ltd., Montreal,	electronic equipment	3,467,718
Can. Benaudi Co., Ottawa,	special investigations	14,695
Can. Curtiss-Wright Ltd., Montreal,	technical publications	16,025
Can. Industries Ltd., Montreal,	plastic sheeting	29,946
Can. Kodak Sales Ltd., Toronto,	photographic supplies	36,099
Can. Line Materials Ltd., Toronto,	electronic equipment	10,565
Can. Marconi Co., Montreal,	electronic equipment	19,920
C.N. Telegraphs, Ottawa,	telecommunication cable	32,000
C.P. Railway, Ottawa,	teletype equipment	50,000
Can. Pratt & Whitney Aircraft Co., Longueuil, Que.,	technical publications	20,000
Canmore Mines Ltd., Canmore, Alta.,	coal	64,720
T. C. Chown Ltd., Toronto,	truck	29,792
Chrysler Corp., Windsor,	motor vehicles	15,233
Coleman Packing Co., London, Ont.,	meat	10,767
Computing Devices Ltd., Ottawa,	technical services	20,000
Cornwallis Dairy Ltd., Kentville, N.S.,	dairy products	14,560
Crescent Creamery Ltd., Winnipeg,	dairy products	29,050
Crown Zellerbach Ltd., Vancouver,	paper products	29,743
Damac Technical Sales Ltd., Ottawa,	electronic test equipment	19,107
Dominion Coal Co., Moncton, Toronto,	coal	527,326
Dominion Sanitary Wiper Co., Montreal,	wiping rags	10,617
D. & S. Aviation Co., Pont Viau, Que.,	plating machines	26,198
Dungarvon Co., Ottawa,	snow removal equipment	268,812
Dunlop Canada Ltd., Toronto,	aircraft tires	30,955
Eastern Bakeries Ltd., Fredericton N.B.,	bread	21,591
Edmonton Produce Co., Edmonton,	dairy products	10,468
Electric & Gas Welding Co., Montreal,	aircraft servicing equipment	10,700
Electronic Materiels Int'l, Ottawa,	aeronautical electronic equipment	10,000
Elgie & Jarvis Lumber Co., Toronto,	lumber	14,200
Empire Cleaning Co., Calgary,	dry cleaning services	12,000
Empire-Hanna Coal Co., Toronto,	coal	54,180
Fairey Aviation Co., Dartmouth, N.S.,	aircraft components and repairs	1,018,928
Sydney Farrar, Iberville, Que.,	laundry services	32,000
Fashion Glove Inc., Lorettetville, Que.,	clothing	21,442
First Co-op. Packers, Barrie, Ont.,	dairy products and meat	23,952
Ford Motor Co. Ltd., Windsor,	automotive spares	300,000
Fox Instrument Co., Smiths Falls, Ont.,	ammunition components	13,034
Garrett Mfg. Corp. Ltd., Toronto,	electronic materiel	139,500
Gold Seal Dairies Ltd., London, Ont.,	dairy products	16,170
J. Gordon Waste Paper Co., Montreal,	wiping rags	12,944
Halifax Shipyards Ltd., Dartmouth, N.S.,	ship docking and repairs	40,000
Harding Carpets Ltd., Brantford, Ont.,	floor covering	17,847
Highland Fuels Ltd., Toronto,	coal	29,094
Honeywell Controls Ltd., Toronto,	electronic materiel and services	381,418
Frank Hunnisett Ltd., Toronto,	meat	
Imperial Mops & Brooms Ltd., Montreal,	mopheads	25,889
Imperial Oil Ltd., Ottawa,	petroleum products and fuel oil	
Interlake Tissue Mills Co., Toronto,	paper products	64,507
Int'l Harvester Co., Hamilton, Ont.,	trucks	57,107
Irving Oil Co., Saint John, N.B.,	fuel oil	74,152
James Brothers Ltd., Toronto,	clothing	24,584
F. W. Jones & Son, Bedford, Que.,	ammunition boxes	28,236
Koch Shoes Ltd., Harbour Grace, Nfld.,	footwear	91,343
Lakeview Dairy Ltd., Barrie, Ont.,	dairy products	27,040
J. & R. Mclannet Reg'd., Montreal,	medical supplies	
Minnesota M. & M. Ltd., London, Ont.,	electrical tape	15,300
Alfred Mockler, Grand Falls, N.B.,	electrical repairs	
Modern Dairies Ltd., Brandon, Man.,	dairy products	
Moir's Ltd. Halifax, N.S.,	bread	33,845
C. O. Monat & Co., Montreal,	ships' spares	10,876
Mutual Dairies Ltd., Ottawa,	dairy products	11,609
National Roofing & Paint Co. Edmonton,	roofing on building	11,497
N. Alberta Dairy Pool Ltd., Edmonton,	dairy products	17,331
Ontario Laundry Ltd., Calgary,	laundry services	
Overhead Door Sales Ltd., Edmonton,	overhead garage doors	
Pacific Meat Co., Vancouver,	meat	15,995
Paisley Products Ltd., Toronto,	electrical tape	
Peacock Brothers Ltd. Montreal,	ships' machinery	1,964,000
Pirelli Cables Canduits Ltd., Montreal,	electrical wire	
Price's Dairy Ltd., Kingston, Ont.,	dairy products	23,190
R.C.A. Victor Co., Montreal,	electronic equipment, research	557,003
R.N.G. Oil Equipment Co., Montreal,	aircraft servicing equipment	10,373
Rjblin Dairy, Belleville, Ont.,	dairy products	10,646
Royalite Oil Co. Calgary,	fuel oil	14,059
Rumford's Ltd., Winnipeg,	laundry services	42,546
St. Hyacinthe Laundry, St. Hyacinthe, Que.,	laundry services	26,000
R. P. Scherer Ltd., Windsor, Ont.,	medical supplies	14,480
Shefford Dairy Ltd., Montreal,	dairy products	14,918
Shell Oil Co., Toronto,	fuel oil	253,413
Shiff & Co., Montreal,	clothing	10,458
Sinclair Radio Lab., Ltd., Toronto,	electronic equipment	20,282
Standard Aero Sales Ltd., St. James, Man.,	aero engine components	13,065
Spartan Air Services Ltd., Ottawa,	recomputation of mapping survey	16,820
Stinson Reeb Supply Co., Montreal,	concrete blocks	25,872
Swift Can. Co., Halifax, Saint John, Toronto,	meat	73,871
Telegraph Condenser Co., Toronto,	development contract	46,225
Traders Mfg. Co., Montreal,	clothing	12,460
Transair Ltd., St. James, Man.,	charter of aircraft	68,081
Universal Die & Tool Mfg., Montreal,	pull-throughs for guns	28,709
U. of Saskatchewan, Saskatoon,	research contract	32,313
Vertal Aircraft Co., Armprior, Ont.,	helicopter airframes	60,000
Western Flyer Coach Ltd., Winnipeg,	buses	78,425

Defence Construction (1951) Limited
June 16-30

Contractor	Work description	Value
Camac Construction Co., Charlottetown, P.E.I.,	storm drainage ditches, Summerside, P.E.I.	$ 95,900
Cambrian Const. Ltd., Montreal,	physical training building, Barrefield, Ont.	854,729
Canadian Comstock Co., Ottawa,	underground steam distribution system, Petawawa, Ont.	87,115
Commonwealth Const. Co., Vancouver,	paving parade square, Esquimalt, B.C.	46,955
Conway & Whittaker Co., Montreal,	painting of walls, Ville La Salle, Que.	27,236
Desourdy Freres Ltee., St. Johns, Que.,	water reservoir, St. Johns, Que.	37,290
Dominion Structural Steel Ltd., Dartmouth, N.S.,	structural steel for drill, Gander, N.B.	19,900
Forbes and Sloat Ltd., Fredericton, N.B.,	construction of storage bldg., Gagetown, N.B.	27,200
Fundy Construction Co., Halifax, N.S.,	const. of damage control school, Halifax, N.S.	291,278
Horton Steel Works Ltd., Toronto,	steel water tank, Churchill, Man.	49,840
W. A. Moffatt Co., Toronto,	hangar roof covering, Goose Bay, Lab.	44,800
Niagara Structural Steel Ltd., St. Catharines, Ont.,	steel for building, Rockcliffe, Ont.	20,336
Standard Construction Co., Halifax, N.S.,	repairs to jetty, Halifax, N.S.	33,500
Standard Paving Maritime Ltd., Halifax, N.S.,	construction of storm drainage, roads, Halifax, N.S.	210,456
Terminal Construction, Montreal,	extension to school, Goose Bay, Lab.	277,500
J. E. Verreault & Fils Ltee., Quebec,	addition to building, Valcartier, Que.	414,800

ANNOUNCEMENT

THE TORONTO AND LONDON INVESTMENT COMPANY LTD. ANNOUNCEMENT

Mr. A. G. S. GRIFFIN

THE HON. WALTER HARRIS, P.C., Q.C.

The Toronto and London Investment Company Ltd. announces the election of Mr. A. G. S. Griffin as President and The Hon. Walter Harris, P.C., Q.C., former Minister of Finance, as a Director of the Company. In addition to Messrs. Griffin and Harris, the Board of Directors of the Company includes The Hon. T. D'Arcy Leonard, Q.C., Toronto, Mr. Jean Raymond, Q.C., Montreal, and Messrs. Louis Franck, C.B.E., E. G. Thalmann and S. G. Warburg of London, England.

Question:

What keeps making this market move higher?

Answer: An excess of investment funds. The stock market boiled down to its basic factors is simply a reflection of the flow of money. An increase in the supply of money available for investment in stocks — without a corresponding increase in the supply of stocks — is bound to result in higher stock prices. What is happening to the New York market is that the new investment trusts like Lazard's and One William Street have accumulated huge amounts of the public's surplus capital — and have diverted these funds into the market. The employment of these funds — amounting to billions of dollars — is making prices move higher with no signs of let-up.

Question: Will Canadian stocks keep moving higher as well?

Answer: It's a delayed reaction process, but investment enthusiasm always spills over into speculative stocks — making huge gains possible in markets of extreme volatility. The sensational 1956 runs of stocks like Arcadia, New Royran, Copper Cliff, Bouzan, and Quebec Chibougamau, for example, had their roots in New York's 1955 bull market. Similarly the moves of Consolidated Cordasun, Pontiac Pete and Trend Pete in the early '50's were delayed until senior oil stocks like McColl and B.A. started to top off after a fling six months previously. Thus, a boom in Canadian issues is inevitable — especially if the New York market keeps moving ahead.

Question: What stocks will move higher this time?

Answer: The well-sponsored issues whose values substantiate current quotes. When Humber Oils and Canadian Chieftain Pete dropped back to one dollar, for example we recognized that here was the combination of value and sponsorship necessary to spark a substantial market run. Similarly, when we bought Maritimes and Temagami at 40 and 80 cents, we knew we had the combination of technical and fundamental strength which ultimately pays off in big profits. The results these four issues have accounted for an average of 60 cents per share profits — in addition to the 5, 10 and 30 cent gains made in stocks like Ranger Oils, Provo Gas, Slocan Van Roi and Advocate Asbestos.

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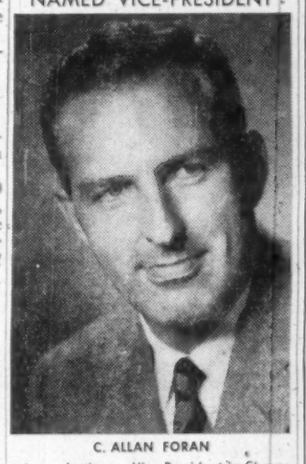

C. ALLAN FORAN

whose election as Vice-President in Charge of Corporate Planning is announced by Ron W. Todgham, president of Chrysler Corporation of Canada, Limited. Mr. Foran was born in Winnipeg 33 years ago and is a graduate of de la Salle Oaklands Collegiate, Toronto, the University of Toronto and Osgoode Hall. Prior to joining Chrysler of Canada in 1953 he practiced law in Toronto. He has served the company as corporation legal counsel, assistant secretary, secretary, director of organization and executive assistant to the president and in March, 1957, became a member of the board of directors.

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The Lake Erie property of

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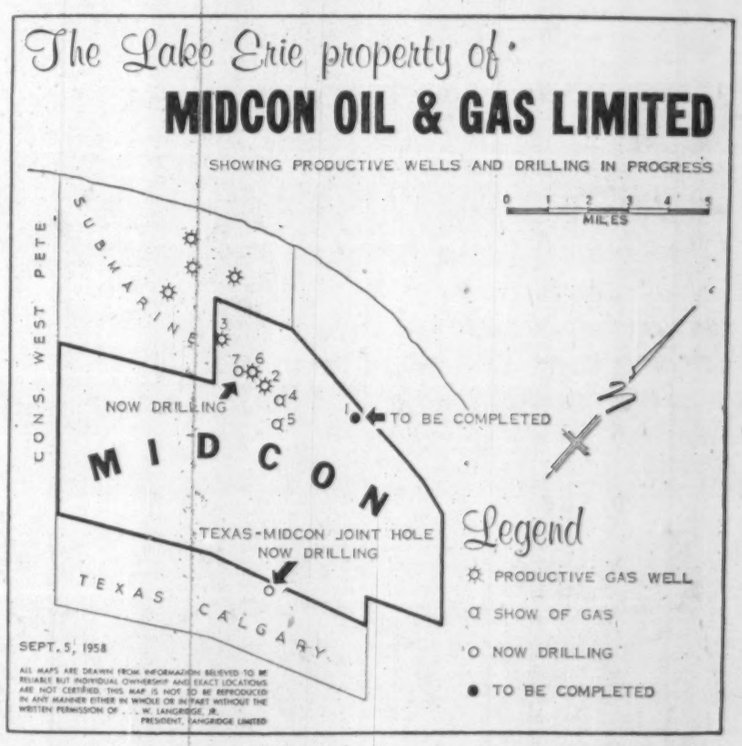

MIDCON No. 7 Hole is now in progress on the Company's Lake Erie acreage. It is expected that this new hole will compare favorably with the recently completed No. 6 well which had an open flow of 1,469,841 cubic feet of gas per day.

With three completed productive wells and two drill rigs in operation, Midcon is rapidly proving up a substantial new gas field in Lake Erie.

Plans are now being considered to construct a gathering system and pipeline to carry the gas to markets on shore. In Southwestern Ontario natural gas sells for approximately 35 cents per thousand cubic feet.

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Taking Stock

What's going on in the mining and oil markets — the facts and rumors.

By RAY MAGLADRY

Gas interests have been enjoying some popularity on forecasts that the Borden Commission will recommend a liberal export policy for Canada.

For the long term, expanded markets could add substantial revenue for some companies which have large natural gas reserves awaiting markets. These benefits, though, will not likely appear on income accounts overnight.

Stocks of companies with major gas holdings tended to steeper declines than the oil producers earlier this year, despite the industry-wide marketing problem of oil.

But recently, gas issues have attracted more buying, in some cases a large part of it from U. S. sources.

	Latest Price	End June	Early 1958	Year Ago
	$	$	$	$
Bailey Selburn A	8.75	9.35	8.45	13.50
Calgary & Ed.	29¾	25¼	20¾	29½
Dome Pete	11⅛	10½	8.05	10
H. B. Oil & Gas	21	19½	16	15⅞
Medallion	2.56	2.80	2.33	3.70
New Chamberlain	1.23	1.06	1.29	1.90
Pacific	18¾	18	19⅝	27⅜
Permo	1.94	1.58	1.85	2.98
Provo Gas	3.35	2.49	2.67	3.35

* * *

Canadian Export Gas & Oil soars quickly from a recent $2.53 to $3, settling at $2.92. Turnover is active with U. S. buying reported. Company has substantial gas reserves.

Income of **Canadian Husky** drops in first half but company reports improvement in refined products sales since a sharply lower first three months. Husky is quiet, down to $14¾ from $15.

Canadian Chieftain eases slightly from $1.70 to $1.55. Company reports a 56-bbl. daily flow through restricted choke on its Viking light oil discovery in the Provost region.

* * *

Uranium issues tend weaker before recovering slightly this week.

Consolidated Denison slips from $15 to $13½, recovering later to $14⅛ and **Gunnar Mines** drops from $18⅛ to $16½, rebounding to $17¼ at mid-week.

Algom edges ahead from $16⅝ to $17⅜. Company warrant holders meeting has been adjourned until Sept. 30 when they will be asked to approve changes in voting trust agreement, basically to permit exchange of warrants for share certificates instead of voting trust certificates.

Renewed talk about fusion and cutbacks of mine output to scheduled contract rate appear to dampen market interest in the group.

* * *

Malartic gold issues tend easier after recent advances. **Barnat**, still pushing development underground, sells down from $2 to $1.84. **Canadian Malartic** drops from a recent 65c to 58c and **East Malartic** at $1.56 compares with $1.79 recently.

Most other golds are mixed, with generally slightly lower prices through the list.

Taurcanis Mines drops from $1 to 79c after selling up over $1 two weeks ago. Company reports extending ore length in second level drifting at its prospect northeast of Yellowknife, N.W.T.

* * *

Advocate Mines soars from a recent $3.35 to new high for the year at $4.35, settling at $4.10. Rumors that financing is close for Advocate's Baie Verte asbestos property in Newfoundland—this time more insistent than similar street talk in the past.

Volume drops off sharply at mid-week in **New Hosco** as the stock eases slightly to $1.86 from a recent $1.90, following some strength last week. Hosco with new finances is continuing to drill out its Mattagami Lake copper-zinc orebody.

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MINING INVESTMENTS

Output Gains Over 1957, Leitch Profits Climb 44%

Leitch Gold Mines earnings rose by 44% in the first half this year over the same 1957 period.

Net profit was $239,975 as against $166,464 last year.

Record earnings for this year were forecast earlier by President K. J. Springer.

Production in the first six months was up 25% over the first half of last year while investment and other income remained relatively steady.

Here are comparative results for Leitch:

	First Half — 1957	1957
Production	$755,787	601,945
Expenses	442,297	395,831
Inv. income	25,307	24,318
Depreciation	17,222	19,368
Tax provision	81,600	44,600
Earnings	239,975	166,464

* * *

Polpond to Test Nakina Prospect

A new copper-nickel prospect in the Nakina area of northwestern Ontario is to be tested by drilling by the expanding J. H. Hirshhorn interests.

Polpond Mining Co., a new firm, has acquired the property near the ground of **Panther International.**

The Polpond prospect and Panther's were part of an area covered in an 800-sq.-mile aerial survey carried out recently by **International Mine Services**, the growing technical organization that is acting for the Hirshhorn group.

International Mines Services is directing work on the Polpond property where ground follow-up work has been under way. A number of anomalies have been located in the northwest and central sections.

Polpond has completed arrangements for an initial $125,000 financing, officials say. The company portfolio of holdings includes 500,000 shares of **Consolidated Marbenor Mines** and 100,000 shares of **National Malartic Mines.**

* * *

Vanex Acquires Two B. C. Groups

Vanex Minerals has acquired two prospects in the Merritt, B.C., area and entered an agreement to explore an adjoining property, officials say.

The company has taken over 64 claims southwest of Merritt and another group north of Merritt.

Vanex will survey the property of **Dunmore Mines** in this area under an agreement whereby Vanex will pay $20,000 in cash and a 20% net interest in profits from any development.

The company has received $50,000 from exercise of an option on 200,000 shares by U. S. interests.

Lindsay Test For Moly. Show

A program of bulk sampling and diamond drilling is planned for the Thunder Bay molybdenite property of **Lindsay Explorations**, the company announces.

This work has been recommended by Consulting Geologist Dr. W. N. Ingham who proposes to test material to be taken from an open cut for a continuous length of 250 ft. by 30 ft. wide by 15 ft. deep.

This is estimated to provide some 11,000 tons, from which a sample would be shipped for testing. The diamond drilling program is proposed to test the depth of the ore zone.

Surface trenching to date indicates a length of 1,675 ft., open at both ends, with the actual average width to be determined by drilling. Present development indicates a width of up to 150 ft., officials say.

Lake Cinch Profit Up

Operating profit at **Lake Cinch Mines** was $412,236 in the first seven months this year, Managing Director G. A. MacMillan says in a report to shareholders.

Profit has been rising steadily each month through this period, he says.

Gross revenue in the seven months amounted to $934,603. Operating expense, provincial mining tax and administrative expenses were $522,366.

Operating profit in May was $66,210, rising through $75,812 in June to $88,292 in July.

Company has repaid its bank loan as well as a loan from the parent firm, **ViolaMac Mines.** The company has no funded debt. Deposits in the security fund, which earn 5% interest, amounted to $214,313 at July 31.

Worth Noting

Financing agreements and changes in financing deals, major changes in capital, filing statements are listed as reported by the Toronto and Montreal exchanges, Ontario Securities Commission.

PCE EXPLORATIONS, TSE filing statement, agreement to acquire 30% interest in 163 claims, Uchi area of Red Lake mining division, Ont., for $27,000 and 50,000 shares (45,000 escrowed). Plan aerial and surface exploration of claims with holders of other 70% interest.

CARNEGIE MINING CORP., underwriting on 35,000 shares 15c each, payable one half Aug. 29 and remainder within 60 days, options on 600,000 shares in three blocks at 15c, 17½c and 20c each.

DE VILLE COPPER MINES, amending statement, conveyance of 20 claims to Canada Radium Corp. on payment of $2,500 to exercise option held by latter, and extension of three months on July 28, 1958. treasury option payment on 50,000 shares and similar extension on other option payments.

BIDCOP MINES, TSE filing statement, agreement to purchase 24 claims, Mattagami Lake area, for $10,000 cash, 200,000 treasury shares; underwriting on 300,000 shares at 15c each, options on 700,000 shares at prices 20c-$1 within 10 months. Plan exploration new Mattagami property.

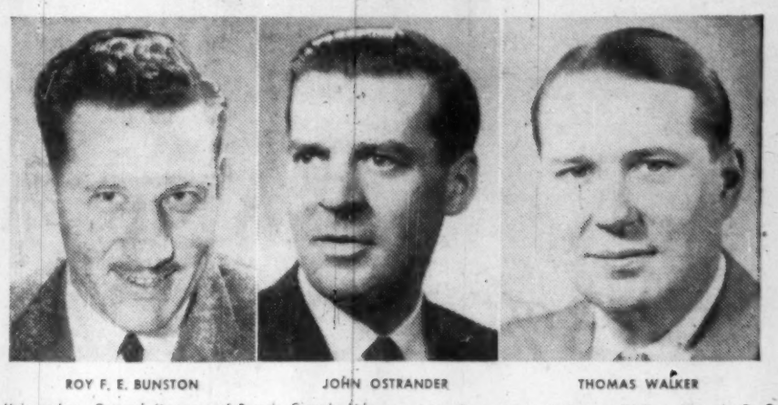
QUEENSTON GOLD MINES, TSE filing statement, underwriting on 400,000 shares for $76,000, options on three blocks of 200,000 shares each at 24c, 29c and 34c payable within three, six and nine months; option agreement subject to shareholder approval increasing capitalization from 4.5 million to 6 million shares. Company staking claims at Fairchild Lake, in Savant Lake area.

NEW HOSCO MINES, TSE filing statement, underwriting on 400,000 treasury shares at $1.50 each, options on 200,000 at $1.75 and 200,000 at $2 per share.

SLOCAN VAN ROI MINES, TSE filing statement, underwriting on 400,000 shares at 15c and 200,000 at 20c by Calcutta Holdings (John T. Frame, sole owner) and sale of 200,000 shares owned by Alator Corp. and 1,400,112 shares owned by Transcontinental Resources to Calcutta Holdings. Agreement by company to acquire 30% interest in Uchi Lake area prospect for $27,000 and 50,000 shares (90% escrowed).

ANNOUNCEMENT

BURNDY APPOINTMENTS



ROY F. E. BUNSTON

F. H. McLenaghan, General Manager of Burndy Canada Ltd., Toronto, announces the appointment of Roy F. E. Bunston, P.Eng., as Industrial Products Manager of the company. Mr. Bunston, a Queen's graduate, who has been associated with Burndy since the formation of the Canadian company ten years ago, concludes six successful years as President of Bunston Ltd., agents in B. C. and Alberta for Burndy and other electrical manufacturers.

JOHN OSTRANDER

THOMAS WALKER

John Ostrander and Thomas Walker, formerly B. C. and Alberta Sales Managers respectively for Bunston Ltd., also join Burndy in those capacities when the Company establishes its own sales offices and warehouses in Vancouver and Calgary on October 1st. Each of these Area Sales Managers bring to Burndy over fifteen years of experience in the Western electrical industry.

Gold Industry Pattern 5c Hr.

A 5c an hour wage boost pattern appears to have been set for Canada's gold mining industry.

Kerr-Addison Gold Mines this week signed a two-year contract with its employees' association providing for a 5c increase for all hourly rated workers.

Last week **Wright-Hargreaves Mines**, which has no union or employees' association, announced a 5c an hour wage increase.

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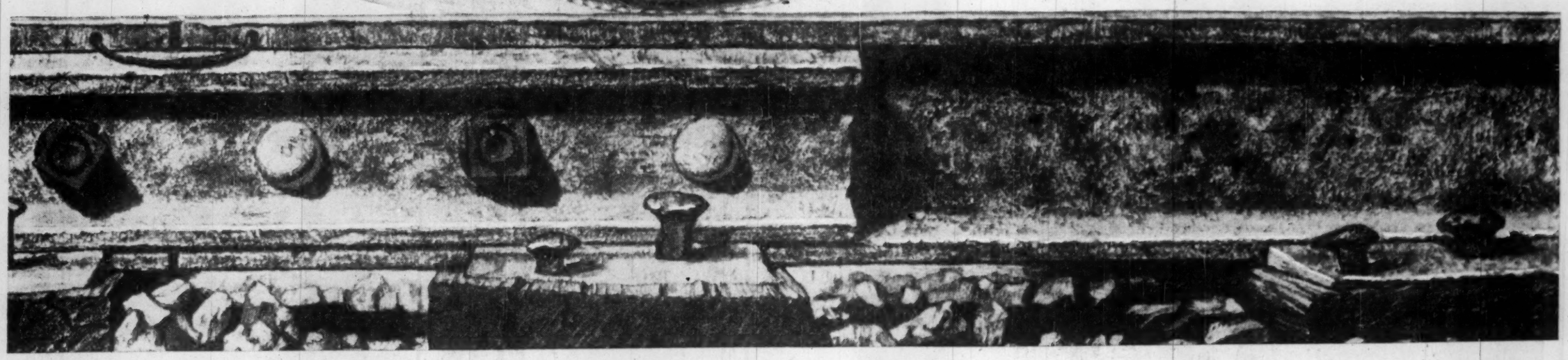

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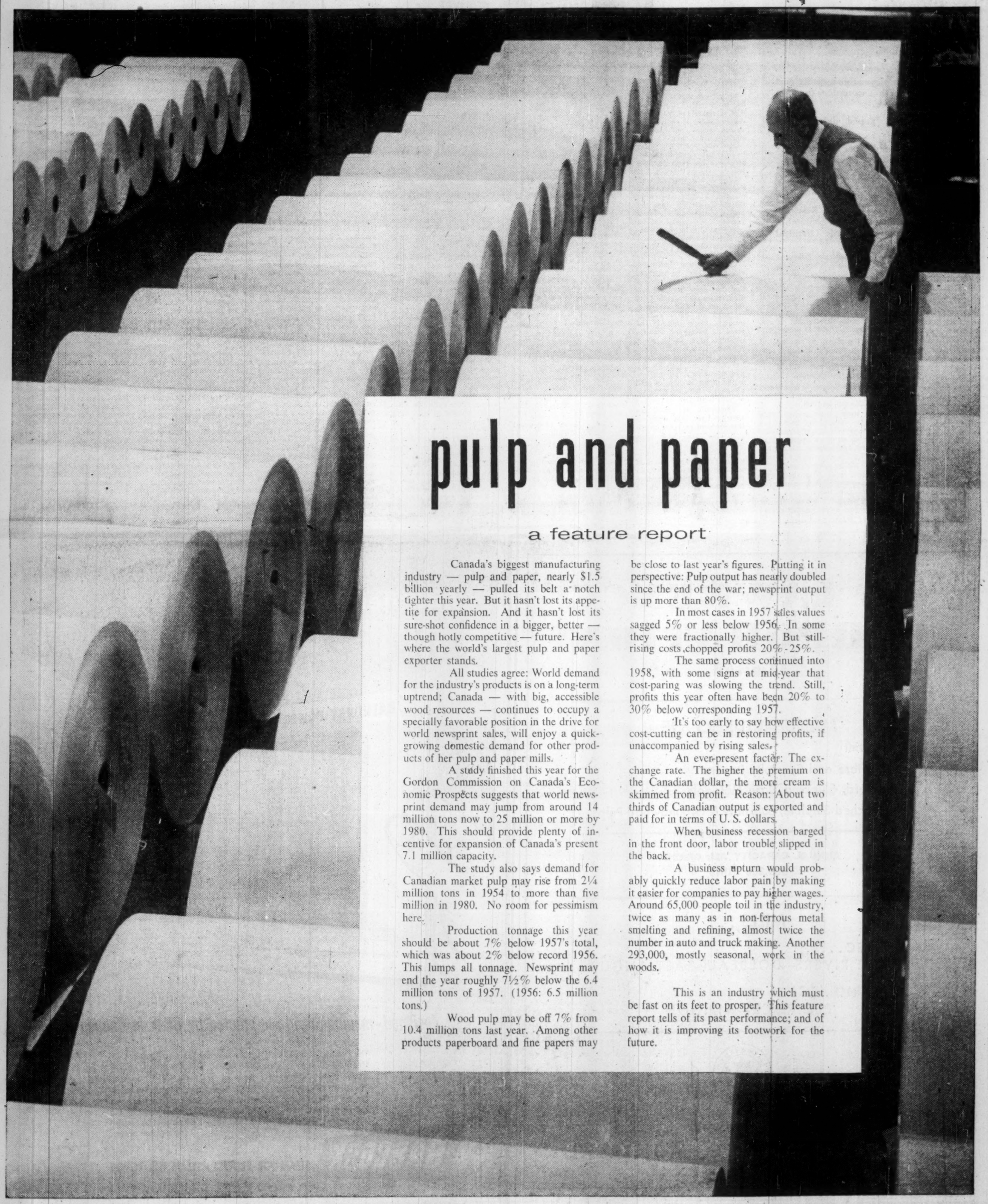


pulp and paper

a feature report

Canada's biggest manufacturing industry — pulp and paper, nearly $1.5 billion yearly — pulled its belt a notch tighter this year. But it hasn't lost its appetite for expansion. And it hasn't lost its sure-shot confidence in a bigger, better — though hotly competitive — future. Here's where the world's largest pulp and paper exporter stands.

All studies agree: World demand for the industry's products is on a long-term uptrend; Canada — with big, accessible wood resources — continues to occupy a specially favorable position in the drive for world newsprint sales, will enjoy a quick-growing domestic demand for other products of her pulp and paper mills.

A study finished this year for the Gordon Commission on Canada's Economic Prospects suggests that world newsprint demand may jump from around 14 million tons now to 25 million or more by 1980. This should provide plenty of incentive for expansion of Canada's present 7.1 million capacity.

The study also says demand for Canadian market pulp may rise from 2¼ million tons in 1954 to more than five million in 1980. No room for pessimism here.

Production tonnage this year should be about 7% below 1957's total, which was about 2% below record 1956. This lumps all tonnage. Newsprint may end the year roughly 7½% below the 6.4 million tons of 1957. (1956: 6.5 million tons.)

Wood pulp may be off 7% from 10.4 million tons last year. Among other products paperboard and fine papers may be close to last year's figures. Putting it in perspective: Pulp output has nearly doubled since the end of the war; newsprint output is up more than 80%.

In most cases in 1957 sales values sagged 5% or less below 1956. In some they were fractionally higher. But still-rising costs chopped profits 20%-25%.

The same process continued into 1958, with some signs at mid-year that cost-paring was slowing the trend. Still, profits this year often have been 20% to 30% below corresponding 1957.

It's too early to say how effective cost-cutting can be in restoring profits, if unaccompanied by rising sales.

An ever-present factor: The exchange rate. The higher the premium on the Canadian dollar, the more cream is skimmed from profit. Reason: About two thirds of Canadian output is exported and paid for in terms of U. S. dollars.

When business recession barged in the front door, labor trouble slipped in the back.

A business upturn would probably quickly reduce labor pain by making it easier for companies to pay higher wages. Around 65,000 people toil in the industry, twice as many as in non-ferrous metal smelting and refining, almost twice the number in auto and truck making. Another 293,000, mostly seasonal, work in the woods.

This is an industry which must be fast on its feet to prosper. This feature report tells of its past performance; and of how it is improving its footwork for the future.

Use of Chemicals

Helping to Cut Costs

The marriage of the pulp and paper and chemical industries is proceeding with lightning speed.

The results:

- **Research plays an increasing part in winning production economies for pulp and paper producers.**
- **Pulp and paper demand for chemicals is rising.**
- **The pulp and paper industry itself is becoming a producer of chemicals.**

Following is a digest of an address on this subject. It was prepared for presentation by Dr. Lincoln R. Thiesmeyer, president of the Pulp and Paper Research Institute of Canada, to a mid-September meeting of the Society of the Chemical Industry.

By DR. L. THIESMEYER

The impact of modern chemical technology upon the pulp and paper industry has been to initiate three major, quite revolutionary trends, already well established.

They will make enormous changes in operating practices and capital plant.

These are:

- **The merging of mechanical** with chemical pulping.
- **The conversion of chemical pulping** from batch to continuous operations at high speeds.
- **The processing of byproducts** from the liquid wastes.

The terms "chemi-groundwood," "semi-chemical" and "high-yield chemical pulp" (which requires mechanical separation to reduce it to a pulp) are losing their separate connotations.

Efforts are being made to telescope steps that are carried out sequentially—chemical followed by mechanical treatment, or vice versa—into single and much faster chemico-mechanical or mechanico-chemical processes.

Bleaching of mechanical pulp while it is being produced by mechanical shearing stresses in refiners is under study, for example.

Simultaneous chemical pulping and mechanical fibreizing will be tried.

It does not seem impossible that chemical techniques might virtually eliminate mechanical processing for making and refining some types of pulp.

We in research are impatient and dissatisfied with even the continuous arrangements of today.

We look for much shorter cycles, much smaller equipment and far superior end-products.

We are experimenting with completely unconventional methods. And we look to the day when the plants can be portable or semi-portable, located right in the woods at the source of supply, and yet capable of turning out hundreds of tons per day of high-grade chemical pulp.

We believe that the chemical pulp mill of the future will resemble the petroleum refinery with its complex of valves, pipes and towers standing in the open.

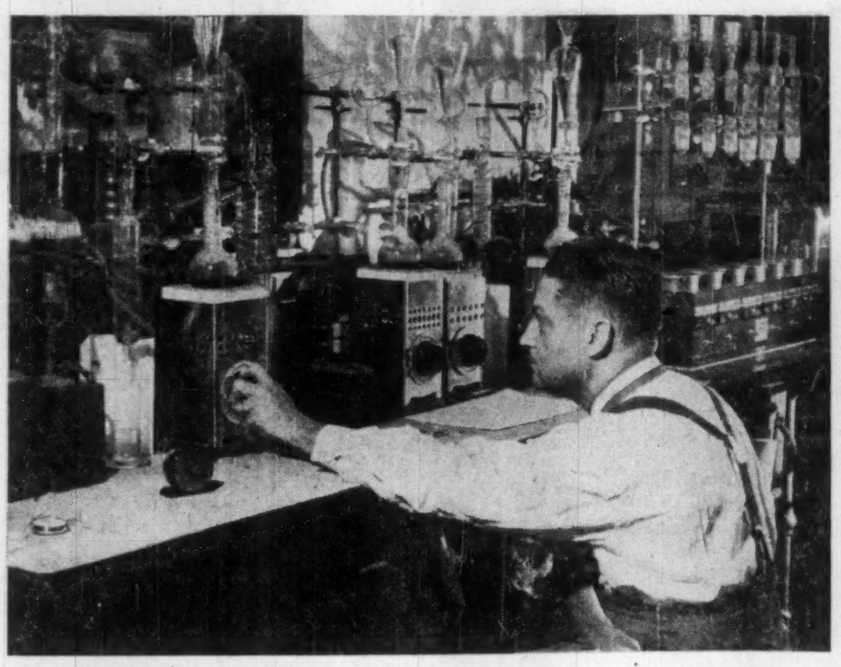
And that it will, similarly, be fully automated and operated by a few control chemists.

Only a few years ago an executive of **Monsanto** told a meeting of the American Chemical Society that no greater opportunity faced young chemists and chemical engineers than lies in the recovery of the liquid and solid wastes of the pulp and paper industry.

Consider the industrial giants that have grown from the processing of coal tar and that may grow from the hydrogenation of coal, and then reflect on the fact that coal is, after all, nature's end-product after millions of years of **driving off** volatile organics from woody plant substances. One may well wonder why more attention has not been given to the hydrogenation or other processing of the millions of tons of lignin which are now poured into the rivers annually.

Thousands of small researches have been made on this problem over the years.

All too many have dealt with complex organic rearrangement of almost infinitesimal fractions of the total pulpmill effluent by very expensive processes to produce very low yields of exotic chemicals for which there was a microscopic market—or none at all.



RESEARCH PLAYS an increasing part in winning production economies for pulp and paper producers.

It is not too speculative to think that in some of the more enterprising pulp and paper companies, or in some of our research establishments, there will be a breakthrough on this problem.

In the Atomized Suspension Technique (AST), developed and patented by our Pulp and Paper Research Institute, we believe we have one such breakthrough.

It may not only solve a pollution problem for our mills but may also be of very real benefit to the chemical industry (**FP**, Aug. 23).

Much work remains to be done; but I would recommend that you watch for technical papers reporting our progress.

On the method of delivering wood to the mill:

At the Pulp and Paper Research Institute at Pointe Claire, Que., about 15 miles from downtown Montreal, an admittedly empirical experiment is under way to determine whether wood sent in chip form in a water slurry for long distances through a pipeline will survive the journey to serve as the raw material for saleable pulp and paper.

Considerable technology has been developed in recent years on the transportation of coal, gilsonite and other solids in pipelines, by both pneumatic and hydraulic means.

Wood chips are already being carried pneumatically through pipes for distances up to nearly a mile at some North American pulp mills.

It seems fairly certain that pneumatic transfer over long distances would be too expensive.

Yet, virtually nothing is known about hydraulic shipment of wood in chip form, for any distance.

Therefore, with the fullest co-operation of a number of companies in the equipment business, three parallel loops—528 ft. long—of 8-in. pipeline, are being built at Pointe Claire—one of steel, one of aluminum, one of plastic.

Tons of normal, commercial chips will be pumped around these loops for distances up to several hundred miles. And samples taken at various distances will be studied and pulped.

If the experiment is successful, pulpwood harvesting operations will be changed in many places.

Trees will be chipped at the stump in the forest, to be sent overland to the mills.

No longer will the industry lose an average of 5% of its pulpwood logs through sinkage along watercourses.

The colorful and dramatic moments of the seasonal river drive of pulpwood will be replaced by the continuous, year-round and virtually silent flow of thoroughly-soaked chips to the mills—perhaps soaked with a bit of chemical en route, and maybe even pre-heated in a section of the line before arrival.

No longer will there be huge inventory of logs piled in the forest for months, awaiting freshets, or stranded along the rivers. All of the costly and time-consuming handling and re-handling of individual logs will be eliminated.

Fine Papers Simplify Methods to Hold Costs

Like the remainder of the pulp and paper business, fine paper mills have temporarily ended their fast expansion in production.

But unlike many other parts of the industry, fine papers this year have not shown a substantial volume decline. Tonnage and sales have been quite stable.

Fine paper production and sales could well end the year about equal with 1957 totals.

So far, these figures have been running within 1% to 2% of last year's.

Characteristics of fine papers:

- **Capital costs are higher** than for other papers.
- **So are labor costs.** The industry therefore may have much to gain through simplified processes and more highly automated production techniques. Progress is being made in both these directions by Canadian mills, more is in prospect.
- **Mills tend to be close to centres** of consumption. **Provincial Paper** (subsidiary of **Abitibi**), for instance, has plants at Georgetown, Thorold and Port Arthur, all in Ontario; **Howard Smith Paper Mills** is at Cornwall, Ont., and Beauharnois, Que., both not far from Montreal.
- **Production costs for most fine papers** are somewhat higher in Canada than in the U. S., because of larger quantities demanded from U. S. mills. Tariffs in both countries lessen trade between the two.

(For company-by-company details, see Fine Paper Section.)

It's a large and varied industry.

Included in the fine paper class are book and magazine papers, writing papers and a coated paper type. Break it down and some 500 different products are involved.

Output of this general category rose from 176,000 tons in 1950 to 248,000 in 1956 and a record 253,000 last year.

Shipments in 1957 were 250,000 (246,000 in 1956), 234,000 to Canadian consumers (229,000) and 16,270 in exports (16,712).

Thus production was up 1.6% last year, shipments to Canada 2.2%, but exports dropped 2.6%.

DBS has a somewhat different method of classifying these and allied papers.

Under the DBS book and writing paper category (which includes those papers listed above plus some additional classes), production was 214,000 tons in 1950 and 340,000 last year.

Predictions for the future of this particular category indicate output of more than 600,000 tons in 1980. Observers suggest that 700,000-plus is quite likely, with exports being about 15% or more.

Fine paper history in this country dates from the nation's first paper mill at St. Andrew's, Que., which turned out writing, wrapping, printing papers, board and made the paper for The Montreal Gazette.

Possibly half a dozen such mills were operating by 1835. But substantial fine paper production didn't appear until the latter 1800s.

Because of the wide variety of production, Canadian mills have become expert at flexible output techniques.

This allows use of many mass production methods to turn out relatively small quantities of each class.

However even the most ingenious management is unable to avoid all the disadvantages of small-lot production.

This means that as the Canadian market expands, greater efficiency will be possible. Add to this the considerable research being done and there is hope for important economies — economies which should help counteract rising costs for other items in the productive process.

ST. LAWRENCE CORPORATION
Limited

MANUFACTURERS OF
Newsprint
Kraft, Fibre and Specialty Papers
Boxboard, Shipping Case Materials
Unbleached Sulphite, Sulphate & Groundwood Pulps

ANNUAL CAPACITY ALL GRADES
685,200 TONS

MILLS . . .
QUEBEC . . .
THREE RIVERS—DOLBEAU—EAST ANGUS
ONTARIO . . .
RED ROCK—NIPIGON

HEAD OFFICE
SUN LIFE BUILDING, MONTREAL

.....designed-manufactured and erected by B&W in Canada

This Recovery Unit will be the highest pressure (1250 psi) Steam Generator of its kind in Canada. It will go into operation this year at the New Brunswick Mill of Bathurst Power & Paper Co. Ltd.

The unit will incorporate many outstanding features including Venturi Evaporator-Scrubber, Cyclone Collector, Economizer and Airheater. Its development represents another milestone in the B & W organization's research for the most economical and efficient means of obtaining power and steam from waste materials of the Canadian pulp and paper industry.

BABCOCK STEAM FOR PROCESS • STEAM FOR POWER

BABCOCK-WILCOX AND GOLDIE-McCULLOCH LIMITED, GALT, ONTARIO MONTREAL • TORONTO • CALGARY • VANCOUVER

Production

'Room for Investment'

By JACK McARTHUR

"I would advise anyone thinking of investment in more newsprint production in Canada to go ahead right now.

"In the short-term there is over-capacity. But by 1960 or 1961 there should be room for additional Canadian capacity."

Behind this opinion from an industry executive lie these additional probabilities:

• There will be further vigorous expansion of the Southern U. S. newsprint industry. But this eventually will be limited by availability of wood resources. Market growth should soon eat up the expansion potential in the south.

• Growth of newsprint output elsewhere will be sharply limited by resources. There will be technological advance enabling added newsprint production overseas. But, again, rising demand should more than match this.

• Russia is a large question-mark, has the wood resources for big growth. But it must finance fast expansion in many industries which it may regard as more important than newsprint.

And much of Russia's wood is poorly located in relation to the big markets of the U. S. and Western Europe.

• The substantial newsprint output which already exists in Western Europe will tend to rise. But there already are signs that European demand is beginning to strain local supply.

This optimistic view of the future is, on the whole, justified by past performance.

Present soft business, while an interesting and in some ways disturbing example of what a moderate recession can do, is almost immaterial in this analysis.

It does lead to one conclusion now widely repeated in the industry.

Many feel that intensified competition will continue indefinitely, that the days of over-capacity output year after year are gone.

If so, the production performance of the past decade will not be repeated.

JACK McARTHUR

Financial Post Montreal editor, Mr. McArthur compiled this special report on the Pulp & Paper industry. He graduated in economics from the University of Saskatchewan, Saskatoon, and wrote political and business articles for Western Canadian newspapers before coming to The Post in 1954.

It was a classic example of supply straining to catch demand over a long period of time, of a tendency at times to underestimate what certainly was a startling growth trend.

From 1946 until the present, Canadian newsprint capacity jumped from 4.6 million tons to more than seven million. Production rose from 4.5 million tons to 6.5 million in 1956, slipped to 6.4 million in 1957 and an estimated 6.1 million in 1958.

This, of course, is much the biggest newsprint industry in the world.

Canada has about half the free world's capacity. It has more than three times the capacity of the No. 2 producer—the U. S.

In spite of the rise in Canadian capacity, the average annual operating rate in Canada was 100% or more from 1947 through 1956.

This was an amazing decade, rarely if ever matched by any other major industry.

Costs rose, of course—rose all the faster because of capacity-plus output.

Profits looked good too. Still, the price rise for newsprint was less than that for the average industrial or consumer commodity — under 85% since 1946 compared with around 100%.

However, newspapers in the biggest Canadian customer—the U. S.—had severe cost problems. Periodically, they pointed shrilly to paper company profits and alleged the newsprint price was too high.

Recent events have tended to support the arguments of those who say newsprint prices have not been out of line with rising production costs, high capital and replacement costs.

The minute sales eased, profits plunged. The days of capacity-plus could no longer be regarded as "normal." The profits of previous years served to lessen the blow.

The newsprint companies know that future growth will require huge capital investment — more so than in the past when speedups and other interim measures helped it keep pace with demand.

Therefore the present period of 80%-85% production rates is a low-profit breathing period, allowing the drawing of coherent plans for future expansion.

Going hand in hand with the general recession in North American business, the newsprint decline appeared in the second quarter of 1957, with operating rates below 100% in each month. Tonnage, however, was still ahead of the corresponding period in the previous year.

However, third-quarter tonnage was below third-quarter '56 and the operating rate fell to 91.1% in September—far below any September in the previous decade.

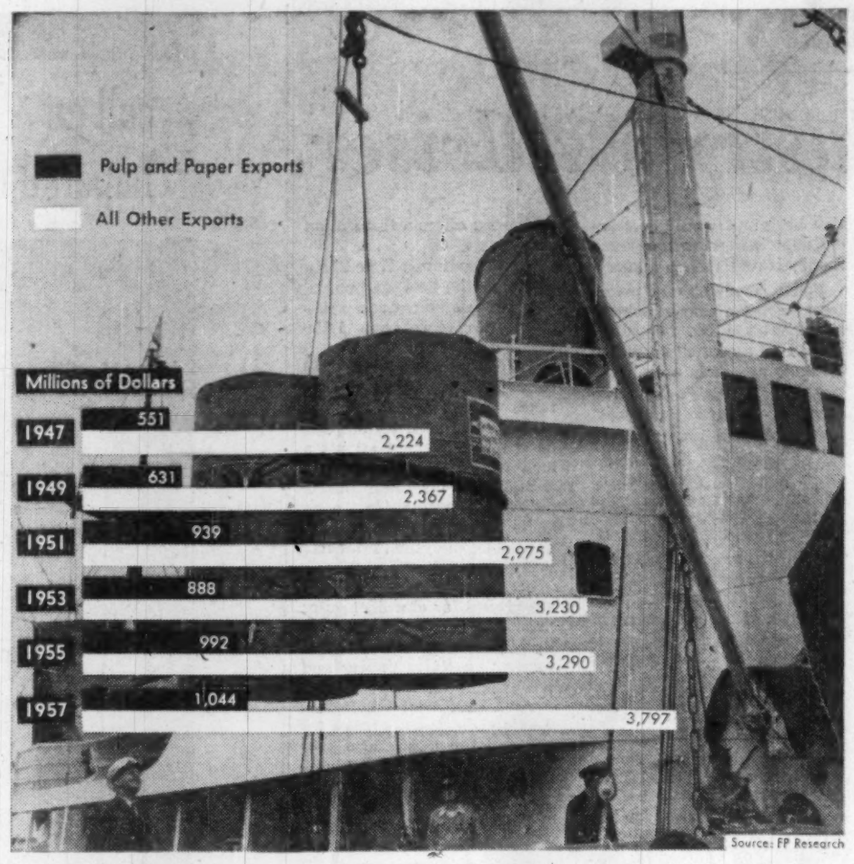
Since August last year, monthly tonnage figures have run solidly below the year previous. Operating ratios have moved well below 90% as expansion plans laid earlier were realized.

Some signs of profit and demand stabilization began to appear in summer, 1958.

U. S. consumption was off only 2.4% in July from year previous compared with 5.2% for the first seven months.

Second-quarter profits for some companies were well above the first quarter, result of vigorous cost reduction measures.

But tonnage isn't going to move substantially higher until general business improvement is reflected in more newspaper advertising and, therefore, rising demand for newsprint.



Source: FP Research

Canadian Newsprint Record

Year	Rated Annual Capacity	Actual Production	Operating Percentage	Actual* Production	Value* 000s Dollars
	000's of Short Tons			of 2,000 Pounds	
1925	1,823	1,619	88.8	1,537	106,269
1926	2,121	2,068	97.5	1,889	121,065
1927	2,716	2,290	84.3	2,083	132,287
1928	3,281	2,612	79.6	2,414	144,147
1929	3,468	2,984	86.0	2,725	150,800
1930	3,848	2,791	72.5	2,498	136,182
1931	4,217	2,516	61.8	2,227	111,420
1932	4,142	2,186	52.8	1,919	85,504
1933	4,149	2,282	55.0	2,022	66,960
1934	4,182	2,911	69.6	2,605	86,811
1935	4,263	3,083	72.3	2,765	88,436
1936	4,218	3,535	83.8	3,225	105,215
1937	4,211	3,998	94.9	3,674	126,424
1938	4,535	2,983	63.8	2,669	107,051
1939	4,633	3,175	68.5	2,927	120,859
1940	4,716	3,770	79.9	3,504	158,447
1941	4,703	3,771	80.2	3,520	158,925
1942	4,763	3,455	72.5	3,257	147,074
1943	4,678	3,219	68.8	3,046	152,963
1944	4,726	3,265	69.1	3,040	163,655
1945	4,672	3,592	76.9	3,324	189,024
1946	4,641	4,506	97.1	4,162	280,810
1947	4,729	4,820	101.9	4,474	355,541
1948	4,883	4,983	102.0	4,640	402,100
1949	5,113	5,176	101.2	5,187	467,976
1950	5,227	5,279	101.0	5,318	506,968
1951	5,360	5,516	102.9	5,561	564,361
1952	5,510	5,687	103.2	5,707	600,516
1953	5,723	5,721	100.0	5,755	633,400
1954	5,920	5,984	101.1	6,001	657,487
1955	6,064	6,191	102.1	6,196	688,388
1956	6,242	6,469	103.6	6,445	735,644
1957	6,756	6,397	94.7	....	....
1958 (est.)	7,100	6,100	86.0	....	....

*Dominion Bureau of Statistics figures. These do not include Newfoundland, except in 1949 and later years, but do include relatively small quantities of hanging paper, poster paper, and side runs for pulping.

Use of Paperboard Rises, Falls With Consumer Spending Habit

The folding box, corrugated carton and set-up box are the healthy children of a prosperous retail economy.

They are used in the transportation and selling of an infinite variety of consumer goods.

For Canada, their popularity means a fast-growing paperboard industry. All these items fall into the paperboard category, third largest subdivision of the pulp and paper business — behind newsprint and pulp.

Paperboard is used for everything from packaging fluid milk to shipping machinery.

Canadian production last year was 846,000 tons, down somewhat from 886,000 the year before, but well ahead of 788,236 in 1955.

Use in Canada accounted for more than 90% of these totals.

In 1955 the two main divisions—container grades and boxboard—were about equal in tonnage. However, container board went into a 60,000-ton lead in 1956 which it held in 1957 and appears likely to retain again this year.

Reason: Popularity of the corrugated carton.

Paperboard has been gaining ground in a highly competitive field, where plastics, metal and glass containers all vie for favor.

Use of paperboard is tied closely to consumer spending habits and to the increasing emphasis on packaging efficiency and effectiveness.

Canadian demand for paperboard was a mere 150,000 tons yearly three decades ago.

It grew 400% to 760,000 tons last year. This mirrors the variety of new uses which were developed for paperboard.

It's felt the percentage rate of growth is slowing down. But expansion in terms of tonnage is likely to be large.

A conservative estimate places Canadian demand at almost two million tons by 1980.

The export market is not particularly large and isn't expected to be. It has fallen below 10% of Canadian production in recent years as the industry has become increasingly based on the voracious domestic demand.

The future for exports is tough to predict.

Much depends upon the growth of purchasing power in overseas nations, something over which Canada has no control. Future packaging trends in these nations—another unknown—are also important.

It is possible, therefore, that larger amounts will be exported to world markets.

Here are seven-month figures on paperboard production:

	Tons 000	Change from last year
Liner board	180	—2%
Container chip board	1	—54%
Corrugating board	89	—2%
Total container grades	270	—2%
Bending board	119	+2%
Nonbending board	30	+19%
Solid bleached board*	17	.....
Other boxboard	74	—19%
Total boxboard grades	240	+3%
TOTAL PAPERBOARD	510	+0.15%

*Included with bending board prior to 1958.

Also in the seven months:

• Use in Canada was up from 454,952 tons last year to 457,288 tons. Most classifications showed small increases. Both container grades and boxboard were up.

• Exports were up from 45,513 tons to 46,652. Container grade exports were down from 32,811 to 29,114, boxboard up from 12,702 to 17,538.

$14 Million From 'Waste'

Here's how efficiency grows:

At Toledo, Ore., **Georgia-Pacific Corp.** has plywood and lumber mills. And now it also has a new kraft pulp, paper and containerboard mill at the same location.

The latter mill lives on the waste — wood chips — from the plywood and lumber operations. The chips are delivered automatically.

A few years ago, these chips were burned. Now they are boosting company's sales by something like $14 million yearly.

All through the North American pulp and paper industry increasing use is being made of sawmill "waste," resulting in better forest utilization, greater efficiency, lower costs.

Georgia-Pacific says its new paper mill has one of the lowest break-even points in the industry.

Newsprint Production

Here's a late look at the Canadian newsprint industry. Figures for the first seven months of this year:

Production — 3.6 million tons; down 7.9% from last year.

Operating rate — 85.4% of capacity; 98.8% last year.

Shipments to U. S.—2.8 million tons, down 7.5%.

Shipments to Canada—247,000 tons, down 11.5%.

Shipments elsewhere — 445,000 tons, down 10.8%.

Total shipments — 3.5 million tons, down 8.2%.

There Go Your Profits

You may not deal in timber or paper but many of your customers depend, directly or indirectly, on forest industries or their products. When they lose money through forest fires, your business suffers, too.

In your own and the common interest, follow Forest Fire Safety Rules and encourage your employees to do the same. Write for information and posters to the Department of Lands and Forest, Parliament Bldgs., Toronto.

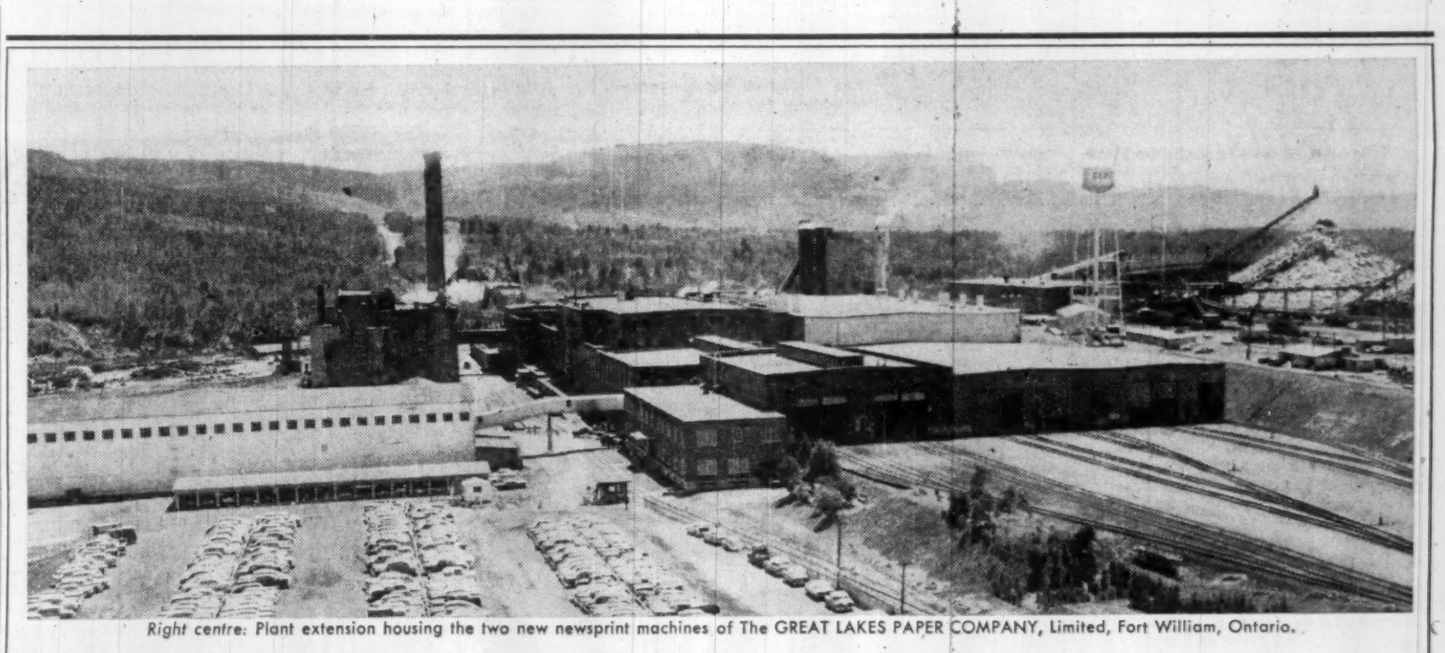
ONTARIO

PREVENT FOREST FIRES

HON. J. W. SPOONER, *Minister*

F. A. MacDOUGALL, *Deputy Minister*

Ontario Dept. of Lands and Forests



Right centre: Plant extension housing the two new newsprint machines of The GREAT LAKES PAPER COMPANY, Limited, Fort William, Ontario.

Construction Capability

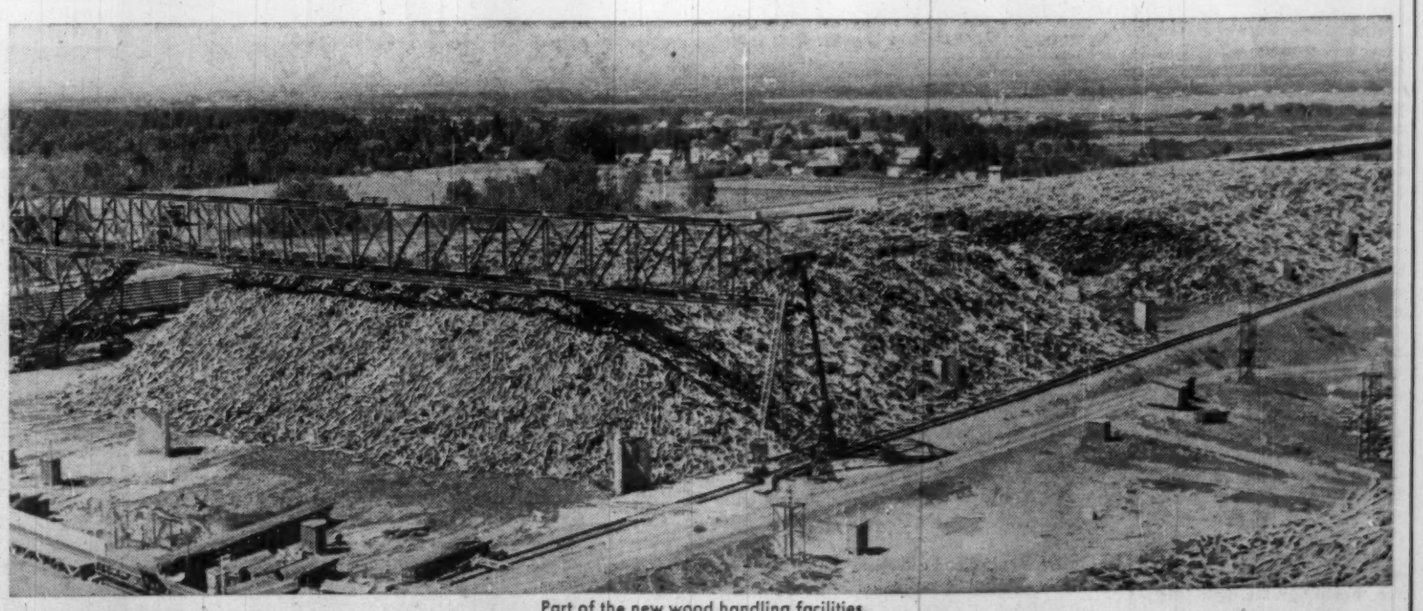
We are proud to have been the general contractors for the $34,000,000 expansion program of The GREAT LAKES PAPER COMPANY, Limited — including the installation of No. 3 and No. 4 newsprint machines, the latter being the largest in the world.

The ancillary buildings and wood handling facilities were also an important part of the over-all job.

E. G. M. Cape and Company

ENGINEERING AND CONSTRUCTION

MONTREAL • TORONTO



Part of the new wood handling facilities.

$1.5 Billion Baby

CPPA: The Industry's Adviser

On the 22nd floor of Montreal's massive Sun Life Building is one of Canada's largest — and certainly most productive — industrial associations.

Ask the Canadian Pulp and Paper Association for information or statistics on their $1.5 billion baby—our most important export industry — and countless files and dozens of experts will supply it.

Few industries are so well served, not only with information about their own doings but about similar operations all over the world.

This is a half-million-dollar-a-year organization, employing about 50 people full-time. Another nine work for the closely allied Newsprint Association of Canada, which provides detailed newsprint statistics to Canadian companies.

A distant relative is the Pulp & Paper Research Institute of Canada. CPPA contributes $100,000 yearly to the roughly $1.2 million budget of the independent research body.

The Technical and Woodlands Sections of CPPA also co-operate closely with the Institute.

The Association is able to work closely with pulp and paper companies. That's because there are a comparatively small number of firms in the industry.

This allows productive personal contact between industry executives and association experts in labor, publicity, technical matters, woodlands, other fields.

The association polices itself strictly in order to maintain its usefulness to the industry.

For example, there was the question of who should be members of the Technical Section.

R. M. FOWLER
President, Canadian Pulp and Paper Association.

Obviously membership shouldn't be confined to pulp and paper people. Suppliers and allied firms could contribute much.

But there is always the possibility of control moving into the hands of people not in the industry. This has happened in a number of North American industrial associations. They may continue to do an excellent job, but they lose much of their usefulness to the particular industry which organized them.

Technical Section rules, therefore, ensure that control is retained by industry men.

Papers may be submitted to meetings by suppliers. But to make sure they don't stray from the point — which is their usefulness to the pulp and paper business—they are screened.

This constant preoccupation with usefulness and "newness" makes Technical Section meetings of exceptional value to the industry.

The avowed purpose of CPPA is to provide services to its members as a whole on matters of common interest and importance, with the exception of regulation of prices and products, or restriction of territory and output.

The services offered are those which can be provided economically on a co-operative basis but would cost individual firms far too much money if undertaken alone.

Policy is ruled by the members through an executive board of about 30. These are named by a council on which all members have a seat.

A special British Columbia Division looks after local matters in that province.

The Technical Section has as its aims the promotion of efficient resource use, the further application of science in the industry, provision of technical information, the solution of various problems in its field.

It has nine branches, 17 standing committees.

Among its 2,300 members are people from every pulp and paper producing country in the world, except Russia.

An association within an association, it collects its own fees, receives additional funds from CPPA.

Among its offbeat activities: It has worked with universities on curricula improvement; informally, it helps both companies and individuals with employment problems; offers a translation service.

The Woodlands Section promotes the best methods of forest management and operation, has more than 1,100 members.

Through some 15 technical committees it aids or undertakes various studies.

New machines, techniques, design development all get a look from the section.

Statistics on labor force, pulpwood production, consumption and inventories — as well as analytical information—go out to members.

Among the trade sections are groups for chemical pulp; mechanical pulp; board; book, writing and coated papers; specialty papers and wrapping paper.

An Industrial Relations Section is a clearing house for personnel matters, also gets information from other countries. It gathers and releases facts on labor negotiations.

The Traffic Section is in contact with carriers on matters of common interest. It sorts out such complex subjects as freight rate equalization, freight and express rates generally, marine transport.

It attends transport board hearings, surveys annual movement by tonnage, cost and class of carrier; helps untangle car shortages when they crop up.

CPPA also has an information office, trade development and tariff department, statistical department, comptrollers' committee.

Is it all necessary?

The answer is yes, in such a large, varied and variable industry.

Twenty years ago, there was a costly demonstration of the need for fast, accurate information.

In 1937 newsprint output leaped spectacularly—almost 15% from 1936—spurred by rapid rise in demand. Newsprint exports were a full 15% higher.

Part of this was buying in anticipation of a price boost. Because there were no reliable statistics on inventories in the hands of buyers, the industry was not sure whether there had also been a genuine rise in demand.

But a substantial increase in 1936 persuaded at least some that this was a continuation of the uptrend.

It wasn't. Exports dropped 30% in 1938, startled producers cut output almost as much.

Some got burned. This might not have happened if they had known exact inventory details.

Now they get figures on inventory — as well as production and consumption — via CPPA.

The Big Question

"I question if the problems industry is facing today have any real similarity to those of 1949 or 1954.

"I have heard the present situation described as a 'temporary recession' and I question both words of that catch-phrase.

"I do not think it is temporary and I do not think it need be a recession.

"I think it is a return to normality, in an economy of abundance, after 19 years of abnormality caused by war and its aftermath."

—R. M. Fowler, president, Canadian Pulp and Paper Association, at the annual luncheon, January, 1958.

Frozen Foods For Fires

The ace-in-the-hole of many a harried, time-pressed housewife — the frozen dinner — is being used in the battle against forest fires.

A new system developed by the Ontario Department of Lands and Forests provides complete frozen meals which can be parachuted to firefighters.

Included are such niceties as orange juice and even cranberry sauce to go with a turkey dinner.

Not many years ago feeding on the fire lines was largely catch-as-catch-can.

Old woodland hands recall canned goods and a can opener were once the order of the day. The meal itself might consist of warmed-up beans and a cup of tea. The "cook" was often a firefighter too tired to continue hefting hose or hoe.

But forest fire experts have since come to the conclusion that a firefighting army marches on its stomach.

Today there's renewed emphasis on fire line feeding.

The reason is quite simple: Firefighting forces can't operate at peak efficiency for very long unless well fed.

Problems involved in victualing the fire lines are far greater than most laymen would suspect.

When rations are required, they are usually needed in large quantity. Fire lines frequently are far from established camps with cooking facilities. They may, in fact, be far removed from road and rail lines or even a lake suitable for landing aircraft.

In addition, movement of food and cooking equipment into the bush ties up men and transportation equipment that could otherwise be put to more direct firefighting uses.

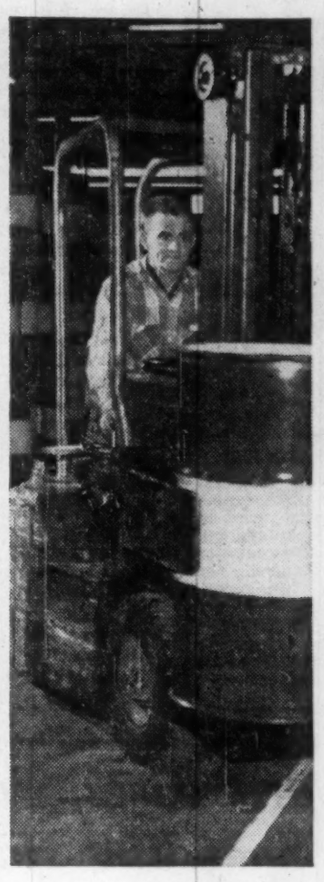
To overcome these difficulties, Ontario has developed a frozen food pack, like a giant TV dinner.

The packs, put up in six and 18-men sizes, are stored in frozen state in refrigerated depots from which they can be withdrawn when required and rushed to the fire site by road, rail or air.

Each pack contains a basic meal, orange juice, milk, coffee, bread, butter, a dessert, sugar and plastic knives, forks and spoons.

call an Imperial man

for products you trust...



service you'll like...

he's trained by us to work for you. Your Imperial Representative is a graduate engineer. Before qualifying to work on your lubrication problems he receives intensified training in Imperial Oil classrooms, refineries, research laboratories and on-the-job experience in Canadian plants. Refresher courses advise him of latest developments. He is backed by Imperial's unequalled experience and continuing research in lubrication.

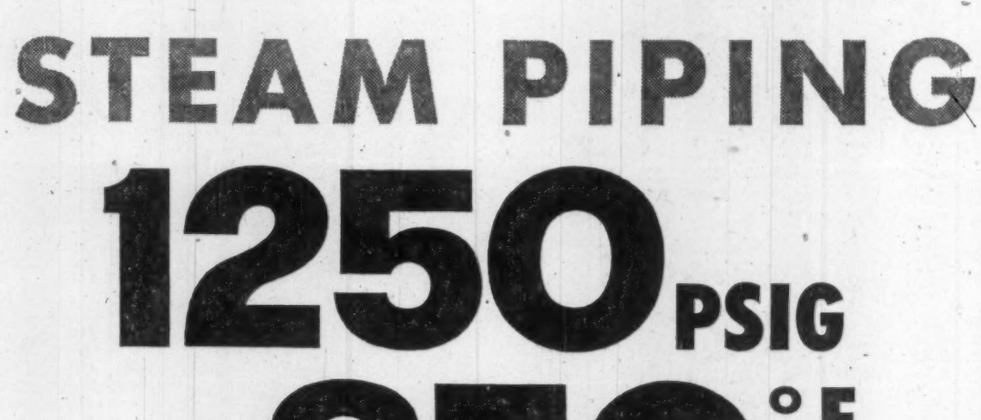
Call Imperial Oil . . . a member of Canada's largest staff of lubrication experts is located near you. Remember, *he is on your staff, but not your payroll.*

IMPERIAL ESSO PRODUCTS

ALWAYS **LOOK TO IMPERIAL** FOR THE BEST

STEAM PIPING
1250 PSIG AT 850 °F

for the Bathurst Power & Paper Company



Bathurst, the first Canadian pulp and paper mill to have a black liquor recovery unit operating at this pressure.

At the time of planning there was no similar unit operating at this pressure—*anywhere*. Many engineering problems had to be anticipated. One of them was the erecting of the main steam line.

The Canadian Kellogg Company, due to their preeminence in the erection of ultra high pressure steam piping and research in alloy metals, were chosen to do the work.

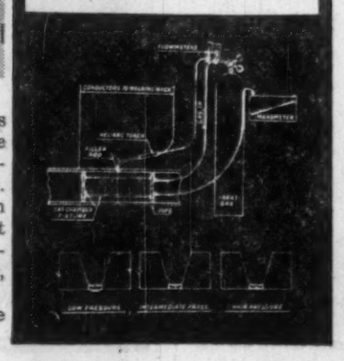
The joining of heavy walled alloy pipe, to insure complete safety and optimum operation conditions, was the most important factor in erection. The Kellogg "K-Weld" developed for such conditions was used. The weld is precision contoured to the inside of the pipe by controlled pressure of argon gas injected in the pipe and exact machining of weld bevel. The inert argon gas inside the pipe and the argon bathed electrode shield the filler rod and parent metal from contamination of the atmosphere, producing a weld free from "icicles", weld splutter, oxides and slag. Backing rings are eliminated.

Power plant engineers interested in this technique are invited to send for further details.

CANADIAN KELLOGG USED THE "K"-WELD TECHNIQUE TO ERECT THE MAIN STEAM LINE AT BATHURST, N.B.

Basically "K-Welding" can be described as filling of the pipe with argon and welding with argon shielded arcs. This Kellogg development is being used increasingly in heavy-wall pipe assembly.

"K-Weld" root bead is laid while the pipe interior is under controlled inert gas pressure. Illustrated is the interior of the finished root bead, which completes the first and critical step in forming the weld.



Details of portable gas-chamber fixture. Shape of interior of weld surface is controlled by varying the pressure.

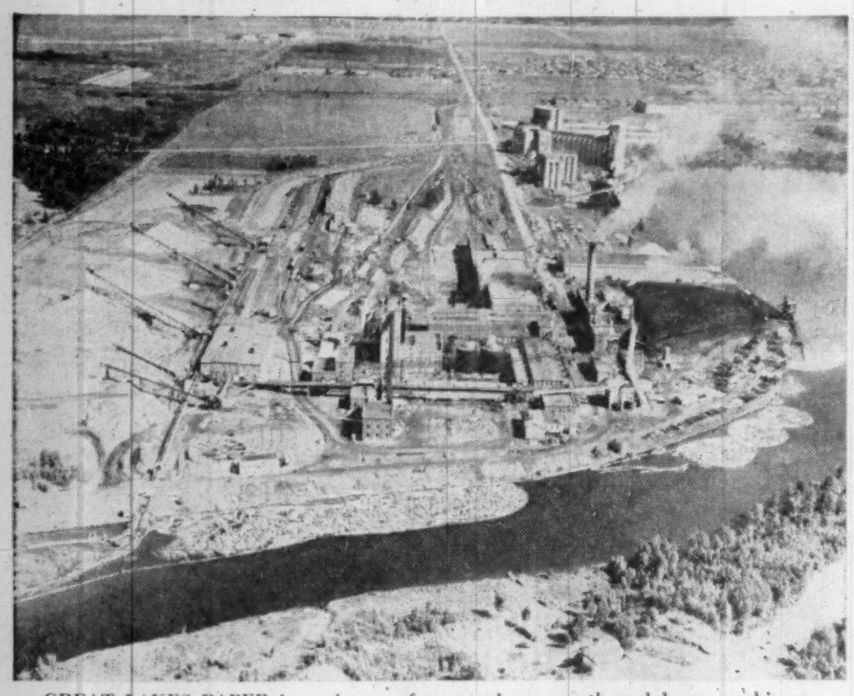
Once the critical root bead is laid, the successive beads are applied by shielded metallic arc process. Penetrant-oil examinations are then made as the weld is built up.

The weld is heat treated by electrical methods controlled by sensitive recording instruments.

High powered induction heat-treating equipment is used to perform stress-relieving of the welded joint.

The Canadian Kellogg COMPANY LIMITED—TORONTO, ONTARIO

OIL → CHEMICAL PLANTS, REFINERIES, POWER PIPING



GREAT LAKES PAPER is a picture of tremendous growth and huge machines.

Great Lakes

130% Capacity Increase

Say Great Lakes Paper and you've said industrial giant.

Just west of Fort William, Ont., on the Kaministikwia River are the manufacturing facilities which produced a record 224,000 tons of pulp and paper last year with sales reaching a new high of $27.8 million.

Here are four giant newsprint machines with an eventual capacity of 360,000 tons annually. In 1956 there were only two machines.

It is to meet the long-term demand for newsprint—company's principal product—that Great Lakes has installed these additional machines at an estimated cost of $34 million.

This summer company's No. 4 machine—said largest of its kind in the world—began production. This will increase newsprint capacity by 110,000 tons yearly.

Only last summer the No. 3 machine went into production, thereby adding another 90,000 tons per year.

These two machines will bring Great Lakes' newsprint capacity to 360,000 tons per year. In other words, in the last two years alone there has been a 130% increase in capacity.

The scope of this expansion is illustrated by the fact that company spent $27.6 million on properties in 1956 and 1957, compared with $15.2 million for the whole period 1937 to 1945.

Put another way, company has averaged expenditures of $13.8 million in the past two years, in contrast with $800,000 per year during 1937-55.

The No. 1 and No. 2 machines originally had a combined capacity of 100,000 tons annually in 1928. Through extensive improvements over the years they reached a rating of 156,000 tons in 1956.

The addition of two more machines has brought capacity to nearly four times the original.

The installation of No. 3 machine was the main feature of the 1955 plan.

It also included a greatly improved system for handling pulpwood, and a new system for distribution of electric power. This plan called for construction of seven new buildings.

Within a short time of the announcement of a third machine its output had been contracted for.

The result was that plans were adopted in March, 1956 for construction of a fourth machine to meet substantial future needs from company's customers.

By 1954 company was reaching the end of expansion by the process of improving existing equipment. Further expansion would require installation of an additional machine and considerable plant extension.

This raised the fundamental question as to whether Great Lakes should undertake a major expansion at all. Installation of an additional newsprint machine costs some $8 million — the cost of the mill itself when completed in 1929.

But when it examined this question the company concluded that to attempt to sit tight amidst the general industrial growth throughout the area would have been to "slip backward."

Once the fundamental decision to expand had been taken, the next problem was whether to increase newsprint production or whether to seek diversification in the newer fields of wood cellulose products.

Great Lakes concluded that it should give priority to expansion of facilities for present customers.

The stated reasons for the expansion were:

- **To seek growth as a matter** of basic policy.
- **To meet the growing demand** of customers with the effects of the St. Lawrence Seaway in mind.
- **To do its part in the development** of Canadian forest resources.

The seaway will play a key role in company's future. First it will make Fort William a seaport 2,000 miles from the sea. This will give company access to world markets at competitive rates which are impossible now because of high delivery costs.

Moreover, the seaway is expected to play a significant role in the development of the U. S. Midwest—the principal consumer of company's newsprint. This region comprises about one-third of the U. S. population.

The principal engineering consultants, contractors and suppliers for company's expansion programs included:

Consulting engineers, **Messrs. E. & B. Cowan;** general contractor, **E. G. M. Cape & Co.;** electrical contractor, **Canadian Comstock Co.;** mechanical contractor, **Norcanda Construction Services Ltd.;** paper machines, **Black-Clawson Canada Ltd.;** paper machine drives, **Canadian Westinghouse Co.;** magazine grinders, **Koehring-Waterous Ltd.;** steam generator, **Combustion Eng. Superheater Ltd.;** ventilation, **SF Products Canada Ltd., Libby Engineering Ltd.,** and **Ross Engineering of Canada;** refining equipment, **Sprout Waldron & Co.;** electrical equipment, **Canadian General Electric Co., Canadian Westinghouse Co.,** and **English Electric Canada,** division of **John Inglis Co.;** gantry pulpwood stacker, **Wellman Engineering Co.;** structural steel, **Dominion Bridge Co.;** electrical consultants **Walter Dow & Co.**

Construction of the two additional machines marks the end of the major expansion program undertaken in 1955.

But Great Lakes is planning a new mill for the manufacture of wood cellulose products other than newsprint.

This is in line with company's desire for product diversification and the Government of Ontario's objective of wider development of forest resources. This will use species besides those presently cut for newsprint. Company will go ahead with this mill as soon as conditions warrant, it says.

The planned wood cellulose products mill will be specially designed to use a wide variety of wood species such as jackpine, poplar and birch which are readily available but which are largely waste under present methods of production. In addition it will take spruce and balsam which company is already using.

Construction costs could run in the neighborhood of $20 million.

Great Lakes currently holds timber areas of over 7,500 sq. miles under renewable licenses from the Province of Ontario.

It has been assured of additional areas sufficient to supply the requirements of its fourth newsprint machine. Areas presently held, together with those to be licensed are estimated to put company operations on a perpetual yield basis.

The story of Great Lakes Paper is the story of challenge and response.

It weathered the economic doldrums of the 1930s, the controlled production of the war years and the problems of postwar reconstruction. Today it stands as one of the leaders in its field.

Some idea of this growth can be gleaned from the operating statistics for 1937, 1947 and 1957. These show newsprint produce rising from 112,600 tons to 125,000 tons, to 182,000 tons.

Over the same period sales were $5 million, $16.8 million and $28.7 million.

The impressive growth of this company makes it all too easy to forget the long uphill fight it had to wage before it reached its present position.

It had barely begun operations in 1929 when the depression started. Unable to meet the interest on its bonds it was placed in receivership in 1931. In 1936 the present company was formed to take over the assets and liabilities.

By then the worst of its economic difficulties had passed. The year 1937 saw a slight economic upturn. However, this was short lived and the downturn continued the next year and was then followed by the outbreak of war and six years of controlled output.

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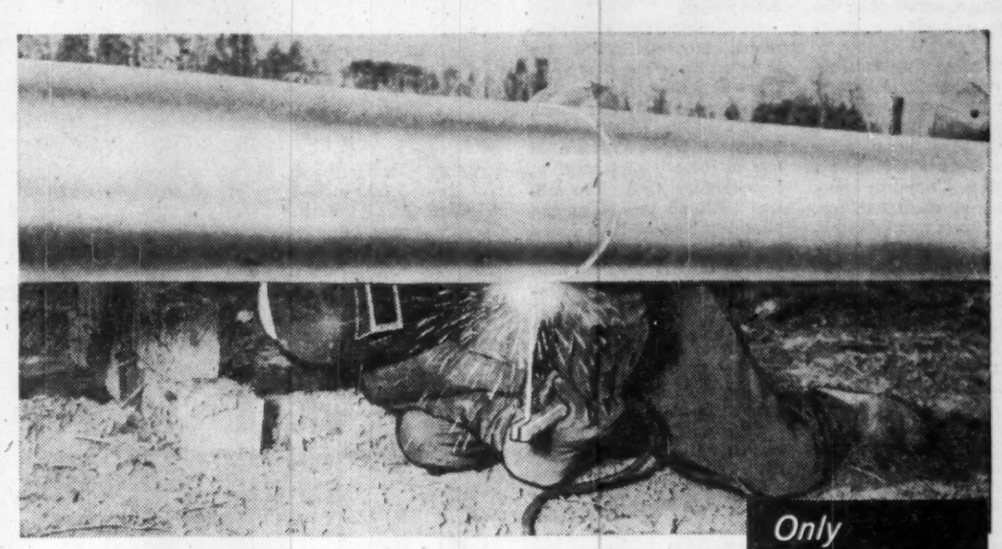

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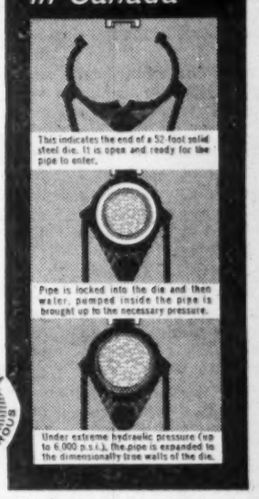

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Tree Farming

Steady Income

Farmers can grow trees much as they do wheat or oats—though, admittedly, the "growing season" is much longer.

Tree farming is an entirely logical development, backed strongly by wood-users and governments.

The big advantages:

- **It encourages intelligent, conservation - minded, sustained use of** small holdings of trees. This is much-needed in terms of good forest yield.
- **It gives farmers a relatively steady income,** in addition to their returns from more conventional farm products.

The president of one of Canada's pulp and paper giants, **Canadian International Paper Co.,** for years has been promoting conservation and, therefore, tree farming.

Vernon E. Johnson in July told the Senate Committee on Land Use:

"... Trees are a crop. They are a crop which can provide lasting and reliable cash income for the farmer who knows how to grow them well.

"... When the land is badly used people at last are forced to leave it—as the laws of economics correct human errors."

CIP's operations are centred in areas where per capita farm income is low—New Brunswick, Quebec, Eastern Ontario. For many of these farmers, sales of wood isn't just a source of money to buy "frills." They are essential to maintenance of a reasonable standard of living.

Woodlot farmer Celestin Lauzon, with whom CIP has been working, provides a good example of the cash in tree farming.

From 1943 to 1956 Lauzon cut 520 face cords of fuel wood, 15,000 ft. board measure of softwood saw logs, 3,000 ft. of hardwood veneer logs, 270 cords of pulpwood and 200 cedar fence posts.

This adds to $8,420; or $650 a year.

In addition, the companies which buy his wood are happy. They get a product for which they might otherwise have to go further afield.

Of necessity, CIP itself has become a tree farmer. It has a 260-ton pulp mill at Hawkesbury, Ont. The mill was built 60 years ago and over a period of time found its supplies of softwood receding. Finally the long haul to the mill became uneconomic.

CIP paid an $8 million bill in 1951 to convert to manufacture of hardwood pulp. There's plenty of beech, birch and maple in the area.

CIP knew that continued economic operation depended upon growth of tree farming — its own and local farmers'.

It opened its Harrington Forest Farm in 1952 about 25 miles from Hawkesbury.

CIP owns about 4,000 acres there, next to 14,000 leased from the Quebec Government.

This is the point from which tree farming knowledge flows into the surrounding area. Local people learn new and improved techniques; they see the research work being done with hybrids and fertilizer use.

The Harrington Farm also is a fish and game management lab — reflecting Johnson's great interest in the subject—and contains a tree nursery which can produce a million seedlings annually.

An extension forester at nearby Grenville, where CIP does its buying, works with local tree farmers. The company doesn't necessarily encourage farmers to produce only pulpwood. It suggests he turn out the product which gives him the best return — sawlogs, plywood logs, poles, posts or pulpwood.

Johnson mentioned to the Senate Committee something which has disturbed many wood-users—the tendency to settle thoughtlessly land which later turns out to be useless for economic farming.

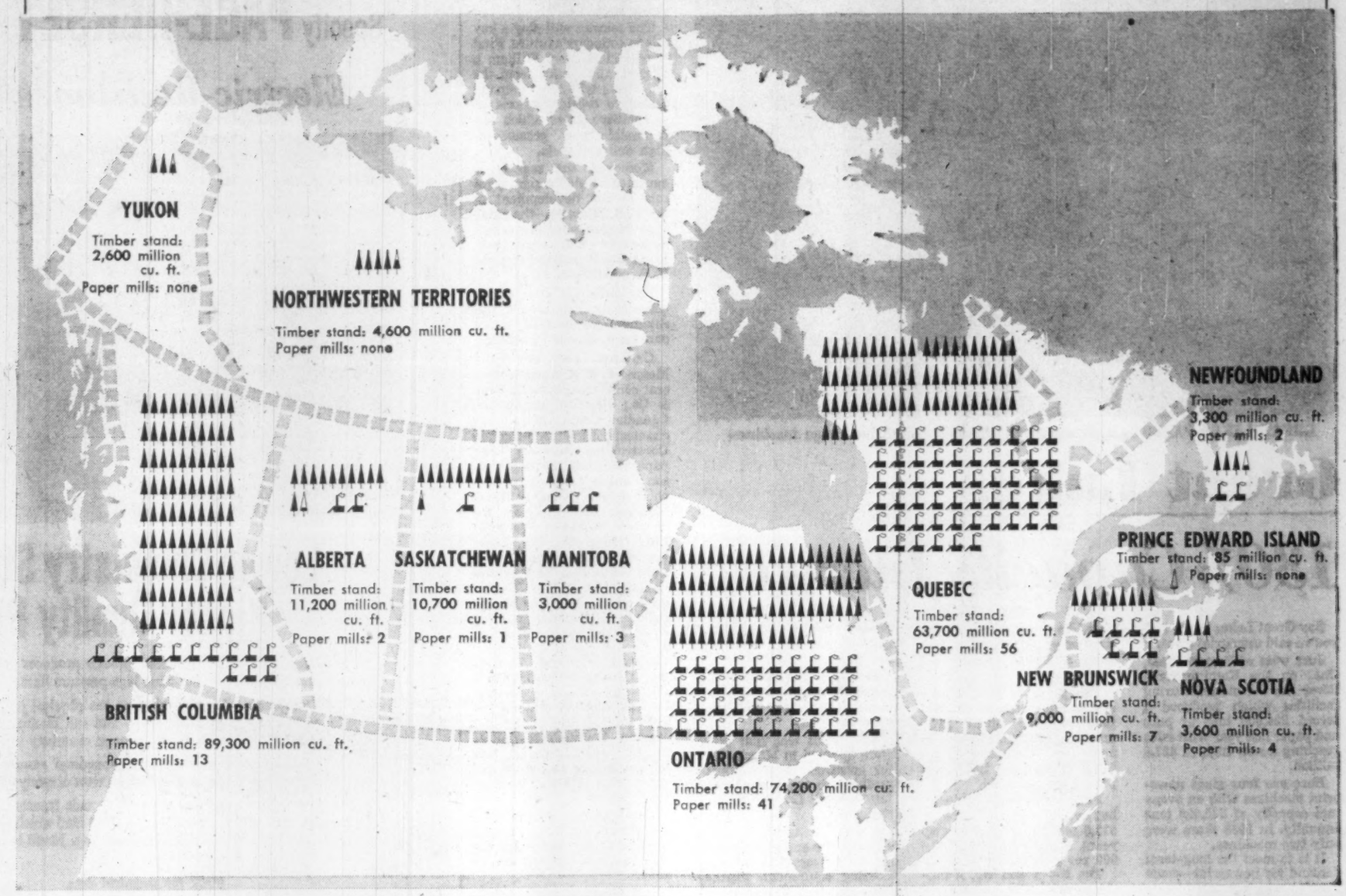
"The photographs which accompany my brief show some scenes from an area at the top of the Rouge River which was removed from timber limits and transferred to colonization in 1941.

"The soil there is poor—almost pure sand. Attempts to farm it failed.

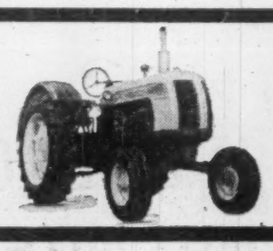
"Today rusting machinery in idle abandoned fields recalls this failure. The stumps left from the heavy stand of white pine which once covered it remind us that, had it been left in forest, a new and profitable crop of trees would be there today."

Johnson thinks the pulp and paper industry will depend increasingly on the tree farmer.

Mills And Timber Stands Across Canada

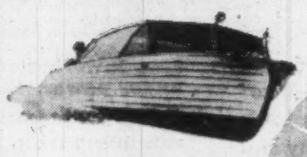


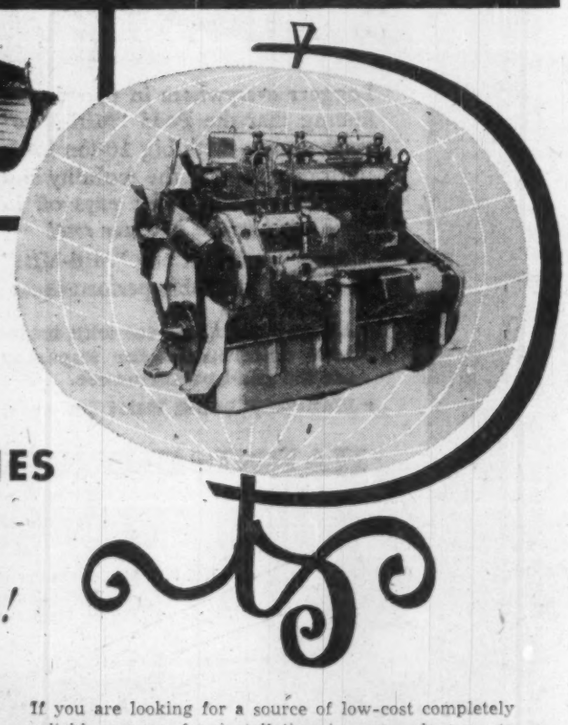
The famous Cockshutt 40PD Diesel Tractor, powered by a Perkins L-4 Engine. The engine is rated at 52 BHP at 1650 rpm.



By installing Perkins Diesel Engines in their passenger coaches many Canadian Bus Lines have reduced their fuel costs by as much as 50%.

Perkins Marine Diesel Engines mean lower operating costs, reduced risk of fire and greatly increased operational range. The Grew "Admiral" shown here is fitted with a Perkins P6.(M).





Versatility plus: The Perkins L-4 offers a choice of 22 different flywheel and housing combinations. Also a vast assortment of engine support brackets, radiators, etc. The buyer can very nearly write his own specifications.

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Dependability—On a recent drilling job in Canada a Perkins P6 Diesel Engine was kept in operation for 19 months at one stretch. It worked altogether 12,000 hours and supplied the power for 20,000 feet of drilling. At the end of that time the P6 was still in such good condition, it could have continued working for another 6 months—without overhaul. This was no isolated instance. Stories of similar performance come in from all over the world.

Economy—The low purchase price and very low operating costs of Perkins Diesel Engines make them the most economical power source available anywhere—whether they're used for tractors, combine harvesters, vehicles, boats, generating equipment, or for a host of other purposes. If you make a comparison, on output alone, you'll find that many Perkins Diesels are the lowest priced engines in their class—in the world.

Adaptability—Perkins manufacture industrial, agricultural, vehicle and marine type Diesel engines from 18 HP at 1,000 rpm, to 108 HP at 2700 rpm. In 163 different countries these engines have been adapted to more than 300 different power applications. The Perkins L-4, for example has such a wide range of optional accessories that the buyer can practically design his own engine—at no extra cost.

If you are looking for a source of low-cost completely reliable power—for installation in your plant or to incorporate in any of the products or equipment you manufacture, it will pay you to investigate Perkins Diesels. They are backed with a world wide performance record—and by sales and service facilities right across Canada.

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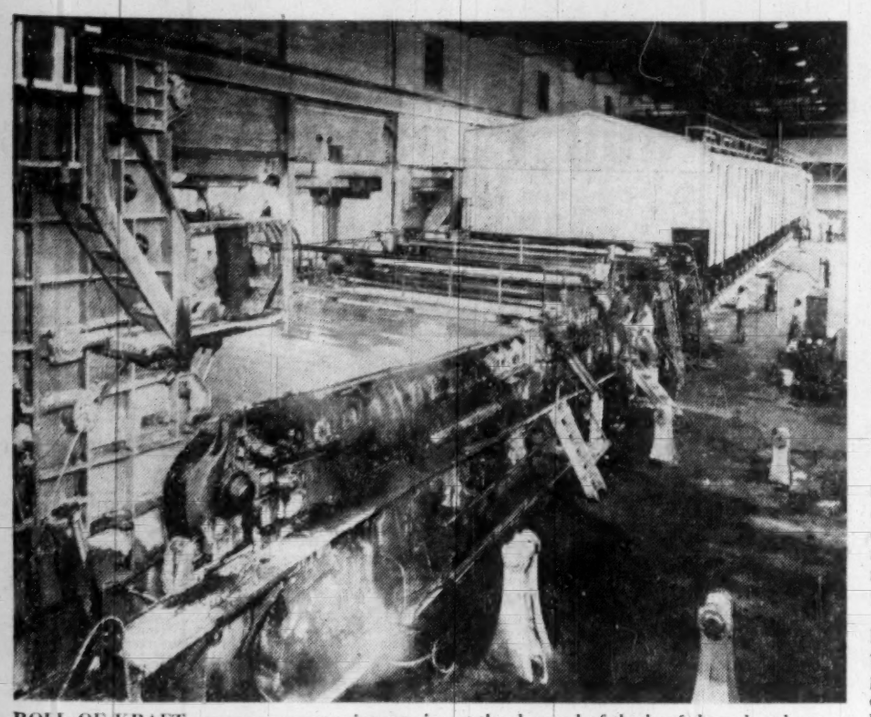


ROLL OF KRAFT paper nears maximum size at the dry end of the kraft board and paper machine of Canadian International Paper mill at La Tuque.

Labor Position

'Romance' Has Ended

At time of writing, the threat of widespread strikes hung over the pulp and paper industry in Eastern Canada.

It was a very different picture from a year ago when the industry could—and did—point to its labor-management relations with pride.

There had been a long romance between the two groups. Companies were relatively well off. Mills were turning out paper, pulp and other products at as much as 110% of rated capacity.

Employees were sharing the prizes of capacity-plus business. Across the country pulp and paper workers consistently pulled down higher than average wages. They still do.

But it was a romance that could not be expected to go on forever. Last fall it began to go on the rocks.

Work pressure was easing. As world demand fell off, production fell below 100% of capacity and continued to ease in 1958.

With costs high, companies are looking around for ways to save money.

This has brought some of them into direct conflict with organized labor.

The industry-labor romance, most observers feel, is only off for the time being.

Because of this feeling there was a great deal of speculation last January that the **unions were planning** to go very easy with wage demands.

Union spokesmen admitted companies were facing much harder times and could not be expected to match the big pay hikes of previous contracts.

But things went wrong.

For one thing organized labor as a body in North America became attracted by the Walter Reuther theory that increased wages would serve to cure recession ills.

The call went out: Don't ease off on demands just because business is falling.

Whatever union executives may have felt — and in the pulp and paper field there were real indications that they were fully conscious of the risks involved — the Reuther theory had an unbeatable appeal for rank-and-file union members.

Who could resist a pay rise that actually was just a public-spirited gesture to end the recession?

After preliminary sparring, the unions got a 5c-an-hour increase in Eastern and Central Canada. In return for this raise the unions **were prepared to accept two-year contracts.**

After a 14-week strike in British Columbia the International Brotherhood of Pulp, Sulphite and Paper Mill Workers had earlier won a major victory. The settlement was made retroactive July 1, 1957, and granted a 7½% increase up to July 1, 1958 and a further 2% for the following year. That meant that from July 1 this year the base pay rate in B. C. was $1.89 an hour.

In the rest of Canada the union found it tough going. There was talk of holding the line on wages. Companies were preparing to fight.

Finally the 5c pattern was established at **Canadian International Paper Co.**

Not only had the traditional pattern-setter signed, but the 5c boost had been spread in one move into most bargaining areas.

Covered by that agreement: The Maritimes (Dalhousie), Quebec (Three Rivers, La Tuque, and the Gatineau), Ontario (Hawkesbury, Temiskaming).

Shortly after, **Ontario Paper** settled at Thorold on the same terms. Next came **Quebec North Shore**, Ontario Paper's 67% subsidiary; and **Spruce Falls Power and Paper** at Kapuskasing.

But other companies were holding out.

A significant split was seen to be forming on the management side. All the mills signing for 5c were Canadian subsidiaries of U. S. companies. The holdouts were either Canadian or British-controlled.

The split deepened as the weeks passed.

As the summer wore on union leaders began to make plans to go to conciliation.

They found themselves neither popular with management nor their members — who generally found 5c disappointing.

At the time of writing the conciliation stage had been reached.

The companies that have signed the new agreement argue: **An increase of 5c is not much** when judged against labor's steady gain across the nation. **In return for the security of a two-year contract, it is as realistic and reasonable a settlement as could be hoped for.**

The holdouts argue: With profits nose-diving this is no time for any wage increases at all. Labor in the industry is still paid well above average (see below) and must rid itself of the idea that pay increases are automatic whatever the state of business.

The International Unions and Canadian and Catholic Confederation of Labor Syndicates reply: There can be no question of some members getting a 5c raise and others not. If the companies won't pay up then strike action must follow.

How valid is the contention that pulp and paper workers already are paid enough? These figures show they are doing pretty well even without an increase:

In April DBS showed this province-by-province breakdown of weekly pay rates:

Newfoundland	
Pulp and paper ...	$96.27
Industrial average .	$63.67
New Brunswick	
Pulp and paper ...	$84.86
Industrial average .	$58.61
Quebec	
Pulp and paper ...	$88.14
Industrial average .	$67.67
Ontario	
Pulp and paper ...	$91.95
Industrial average .	$72.72
British Columbia	
Pulp and paper ...	$101.08
Industrial average .	$75.46

S. America: A Rising Market

Latin America is the rising star of tomorrow's pulp and paper markets.

Its consumption—and production—has been low. But all the factors needed to encourage big increases in demand seem to be present—substantial population, rising literacy, improving living standards.

This is going to be a lively and competitive market.

For Canada it offers:

- **A young fast-growing area for Canadian products which** could compensate for the tendency for the U. S. to supply a rising percentage of its own needs.
- **A place for employment of Canadian capital and know-how.** Funds for expansion of the Latin American pulp and paper industry could well come from Canada. Know-how could, too—in fact, already has in Mexico.

A United Nations study outlines probable future growth in Latin America:

It's expected that Latin American demand for paper and board will hit between 2.7 million and 3.6 million tons by 1965, with around 70%-75% being in Argentina, Brazil and Mexico.

Expected demand in 1960: Comfortably more than two million tons.

Compare this with the average in 1948-52—1.3 million tons.

In newsprint alone the growth is expected to be from 400,000 tons yearly in 1948-52 to between 750,000 and a million tons in 1956.

No matter how vigorous a domestic expansion program is undertaken, Latin America will have to fill much of this demand from outside its borders.

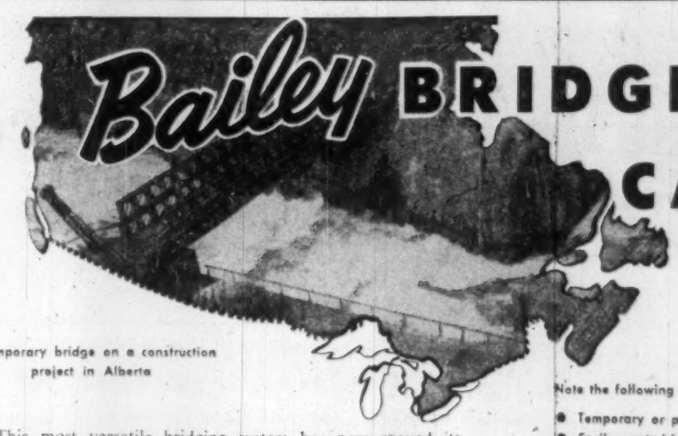
It now depends on imports for more than three-quarters of its newsprint and around 40% of its total consumption of paper and board.

Another way of measuring its potential: Its consumption of paper and board per capita is about one-sixth that in North America.

Canada already has a fair-sized chunk of the Latin American market for newsprint.

Our exports to Central America, the Caribbean and South America last year were 240,000 tons, considerably higher than the 190,000 of 1956.

Because of the lag in general business conditions, this year this figure probably will be down.



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Edmonton, Calgary, Lethbridge: WILKINSON & McCLEAN LTD., 9310-125th AVE., Edmonton

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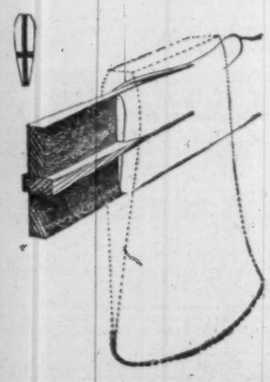

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The Financial Post Statistical Record of Major Pulp and Paper Companies

Newsprint Group

Company	Year	Wood Resources Cords of Sq. Miles	Mill Capacity Annual Tons	Funded Debt $	Net Earn. $	Deprec. $	Times Int. Earned After Deprec. No.	Income Taxes $	Net Profit $	Earnings per Share Pref. $	Earnings per Share Com. $	Dividends Paid or Pay. Pref. $	Dividends Paid or Pay. Com. $	Surplus for Year $	Working Capital $	DIRECTORS
ABITIBI POWER & PAPER ..... †Consolidated.	†1957 †1956	26,000 sq. mi.	897,520	47,988,000 40,598,000	34,719,595 40,480,475	•7,467,568 •7,752,873	16.50 26.95	13,050,000 15,589,000	12,302,283 15,423,827	24.90 29.42	2.86 3.56	1.12½ 1.12½	1.70 1.60	4,846,262 8,157,215	40,936,265 48,256,637	D. W. Ambridge, pres. and gen. mgr.; W. H. Smith, vice-pres.; Allan Graydon, C. L. Gundy, J. S. D. Tory, E. W. Bickle; Toronto; R. H. Reid, London, Ont.; H. J. Carmichael, St. Catharines; T. R. McLagan, Hon. Edouard Asselin, Montreal; J. P. Ripley, New York. Vice-pres.'s—R. J. Askin, C. B. Davis, A. P. Jewett, E. W. McBride, Paul E. Roberts. Vice-pres. & treas.—W. S. Rothwell. Sec.—L. B. Popham.
ANGLO-CANADIAN PULP & PAPER§ ... †Consolidated.	†1957 †1956	9,750 sq. mi.	275,000	18,450,000 14,000,000	11,466,900 15,088,494	•4,602,878 •4,626,602	9.64 15.73	3,037,000 4,695,000	3,115,823 5,101,663	20.26 32.51	2.12 3.68	2.80 2.80	2.00 2.00	156,205 2,128,648	20,999,787 18,840,716	E. M. Little, chm.; W. E. Soles, pres. & gen. mgr.; H. D. Ruthman, sec.; James O'Halloran, H. K. Cudlipp, Quebec, P.Q.; W. H. Howard, H. Hansard, Montreal, P.Q.; The Viscount Rothermere, C. H. King, P. G. Walker, London, Eng.; James Cooke, Woddingham, Eng.; E. L. Goodall, Port Arthur, Ont.; T. R. Moore, Grand Falls, Nfld. Treas.—C. H. Smith.
ANGLO-NEWFOUNDLAND DEV. CO.•* .. †Consolidated statements.	†1957 †1956	7,456 sq. mi.	248,000	....	6,405,889 11,482,262	•2,314,857 •2,275,555	....	1,810,000 3,781,000	2,281,032 5,425,707	....	0.41 0.99	....	0.37½ 0.60	219,126 2,126,658	24,447,283 24,049,852	E. M. Little, chm., Quebec, P.Q.; T. R. Moore, pres. & gen. mgr.; J. S. Goodyear, vice-pres. & sec.-treas.; Phillip Gruchy; Grand Falls, Nfld.; B. C. Gardner, W. H. Howard, R. E. Morrow, Montreal, P.Q.; W. E. Soles, Quebec, P.Q.; The Viscount Rothermere, The Earl of Cromer, A. S. Fuller, London, Eng.; E. A. Sursham, Markyate, Herts, Eng.; Grenville Beckett, Redhill, Surrey, Eng.
BOWATER CORP. OF N. AMER.‡* ..... •Consolidated. †Of subsidiaries.	•1957 •1956	....	....	†84,318,000 †88,818,000	31,845,000 28,404,000	9,426,000 7,485,000	5.09 5.65	7,216,000 6,941,000	9,951,000 9,809,000	•20.13 •19.62	0.72 0.92	‡ ‡	0.21 0.27½	5,944,000 6,467,000	42,256,000 37,430,000	Sir Eric V. Bowater, pres., London, Eng.; G. S. Currie, first vice-pres., Montreal; H. M. S. Lewin, Corner Brook, Nfld.; A. B. Meyer, Greenwich, Conn., vice-pres.'s; Sir John Keeling, K. N. Linforth, W. J. Kirwan-Taylor, England; Earle Spafford, Montreal; Alex. Brackenridge, South Orange, N.J.; K. O. Elderkin, Controller & sec.-treas.—Sam Mann, Montreal.
‡5% & 5½% pref. ‡On 5½% pref. pd. initial 37½c July 1, 1956, $1.62½ quarterly subsequently; on 5% pref. pd. initial 85c on Apr. 1, 1957, 68¾c quarterly subsequently.																
CONSOLIDATED PAPER§	1957 1956	17,649 sq. mi.	851,004	....	29,561,665 33,609,795	•4,900,087 •4,335,209	....	†2,000,000 14,000,000	12,686,892 15,280,969	....	2.47 2.98	....	1.60+0.40 1.45+0.55	2,421,608 5,015,859	55,325,072 56,357,209	L. J. Belnap, chm.; G. M. Hobart, pres.; Francois Faure, N. J. Dawes, W. H. Howard, C. F. Sise, Hon. C. A. Dunning, H. H. Lank, W. S. Kirkpatrick, H. G. Birks, A. C. McKim; Montreal. Vice-pres. & exec. asst. to pres.—F. W. Bradshaw. Vice-pres. & treas.—D. L. Adams. Vice-pres. & compt.—A. E. Gurr. Vice-pres.'s—George Henderson, Richard Collins, J. A. Michaud. Sec.—D. J. Glen.
CROWN ZELLERBACH CANADA ..... •Consolidated. †Of subsidiaries. d Deficit.	•1957 •1956	1,900 sq. mi.	184,000	†31,496,578 †12,707,500	14,237,848 19,797,914	•5,334,609 •4,548,030	6.65 23.53	1,600,959 5,137,034	5,940,558 9,440,660	297.19 472.29	0.78 1.25	6.00 6.00	0.87½ 0.50	d695,107 5,620,410	27,139,122 28,008,695	P. N. Youngman, chm.; P. T. Sinclair, pres.; R. H. R. Young, exec. vice-pres.; R. D. Baker, R. J. Filberg, R. T. Hager, Hon. E. W. Hamber, M. D. Hamilton, O. F. Lundell, W. E. Wintemute, J. A. Young; Vancouver. Vice-pres.'s—H. J. Hodgins, R. J. Schadt, F. A. Scott. Treas. & compt.—G. J. C. Hodson. Sec.—T. A. A. Fraser.
DONNACONA PAPER•• ..... Note—97% of outstanding shares owned by Howard Smith Paper Mills Ltd.	1957 1956	1,721 sq. mi.	105,000	4,550,000 4,745,000	4,100,539 5,097,252	•882,164 •937,724	19.79 24.54	1,423,427 1,881,386	1,629,619 2,105,988	....	4.29 5.55	....	1.00 1.00+0.50	1,250,087 1,536,690	9,584,813 7,996,827	H. Roy Crabtree, chm., Montreal; L. W. Michael, pres. & treas.; L. A. Palmer, vice-pres. & gen. mgr.; Donnacona, P.Q.; D. S. Abbott, vice-pres.; E. Howard Smith, A. J. Philip, Hon. G. B. Foster, E. K. Robinson; Montreal; Aubrey Crabtree, Edmundston, N.B. Sec.—P. L. Fitzgerald.
DONOHUE BROS.• ..... •New stock after 2-for-1 split in April, 1957. ‡Paid 45c+15c per new share and 30c per old share.	1957 1956	1,332 sq. mi.	100,000	4,770,000 3,450,000	2,118,912 2,266,535	•254,998 •288,954	7.82 10.01	752,694 839,260	872,720 940,715	....	†1.45 3.14	‡	‡ 1.20+0.30	422,720 490,715	4,824,823 4,997,796	Chas. Donohue, chm.; G. T. Donohue, pres.; Mark Donohue, exec. vice-pres. & gen. mgr.; P. M. A. Simard, vice-pres. & treas.; A. E. Beauvais, vice-pres. & sec.; L. J. A. Amyot; Quebec, P.Q.; J. N. Cole, Montreal; J. D. Coffin, New York.
GREAT LAKES PAPER• ..... ‡Consolidated. *Does not include profit on disposal of fixed assets amounting to $89,869 in 1957, $60,368 in 1956. †Class B.	‡1957 ‡1956	6,650 sq. mi.	246,000	24,400,000 22,250,000	7,803,918 8,573,895	•2,522,279 •2,065,811	4.87 8.54	2,125,000 2,760,000	*2,072,423 *2,986,129	†20.72 †29.86	1.63 2.39	†1.20 †1.20	1.60 1.60	32,423 946,129	9,187,683 21,044,398	P. M. Fox, chm., Montreal; C. J. Warwick Fox, pres. & gen. mgr., Fort William, Ont.; Ross Clarkson, J. R. Timmins, Montreal; W. C. Cochrane, R. G. Meech, Col. M. C. G. Meighen, S. S. Mackersy, Toronto; Hon. Ray Lawson, Oakville, Ont.; C. B. McDowell, Akron, Ohio; C. P. Slane, Peoria, Ill.; Russ Stewart, Chicago, Ill.; B. H. Ridder, Jr., Duluth, Minn. Vice-pres. & sec.-treas.—K. A. Miners. Vice-pres. i/c woodlands—J. H. Merrill Vice-pres. i/c sales—T. B. Fallows.
JAMES MACLAREN CO.• ..... •Wholly owned by Maclaren Power & Paper Co.	1957 1956	2,600 sq. mi.	105,000	....	5,311,563 5,818,487	448,659 423,875	....	2,109,000 2,356,000	2,753,904 3,038,612	....	... ...	....	....	....	....	A. Barnet Maclaren, pres., Ottawa; A. Roy MacLaren, vice-pres.; J. W. Thomson, sec.; Buckingham, P.Q.; C. H. MacLaren, Ottawa.
MERSEY PAPER ..... ‡Wholly owned subsidiary of Bowater Corp. of N.A.	‡*1957 ‡*1956	1,030 sq. mi.	140,000	24,321,781 24,951,875	6,546,040 5,019,115	•2,543,085 •1,779,513	3.33 3.99	456,500 447,000	2,274,602 1,685,635	11.50 9.43	0.58 0.58	2.75 0.7836	0.25 0.17	977,833 1,228,915	6,120,968 5,119,560	Sir Eric V. Bowater, chm. & chief exec. officer, London, Eng.; J. H. M. Jones, pres. & gen. mgr.; J. A. Parker, vice-pres. & sec.-treas.; B. J. Waters, R. L. Seaborne; Liverpool N.S.; G. S. Currie, Montreal, P.Q.; H. M. S. Lewin, Corner Brook, Nfld.; K. N. Linforth, Sevenoaks, Kent, Eng.; A. B. Meyer, Greenwich, Conn., U.S.A.
*Consolidated. †Accounts cover 8 mos. from May 1 to Dec. 31 only.																
MINNESOTA & ONTARIO PAPER§ ..... †Consolidated.	†1957 †1956	10,000 sq. mi.	340,000	19,400,000 14,600,000	16,392,198 18,996,158	4,412,059 •3,288,241	16.37 31.93	5,668,000 7,671,000	5,580,375 7,544,917	....	2.17 2.93	....	1.60 1.45	1,462,858 3,813,417	23,011,298 14,818,891	J. B. Faegre, chm.; Robert Faegre, pres.; Minneapolis; T. L. Daniels, St. Paul; B. B. Dayton, H. W. Sweatt, D. F. Bull, T. M. Crosby, Minneapolis; C. S. Garland, Baltimore, Md.; C. G. Cockshutt, Brantford, Ont.; R. S. Waldie, J. L. Stewart, Toronto. Vice-pres.'s—C. Larsen, P. A. Mahony, E. L. Lamb. Treas.—E. A. Johnston. Sec.—A. T. Morrison.
POWELL RIVER§ ..... ‡Consolidated. †Including profit on sale of fixed assets and securities amounting to $98,773 in 1957, $5,585 in 1956.	‡1957 ‡1956	938 sq. mi.	495,000	2,500,000 5,000,000	21,554,070 26,552,337	•6,340,466 •5,856,814	....	7,550,000 9,795,000	†7,762,377 †10,906,108	....	1.85 2.60	....	1.20+0.30 1.20+0.60	1,462,377 3,346,108	11,359,107 13,372,870	H. S. Foley, chm.; M. J. Foley, pres.; G. W. O'Brien, A. H. Williamson, W. S. Brooks, Col. Hon. C. Wallace, Maj.-Gen. H. F. G. Letson; Vancouver; W. C. Riley, Winnipeg; Conley Brooks, Anson Brooks, Minneapolis, Minn.; S. H. Scanlon, San Francisco; J. S. Sample, Chicago. Exec. vice-pres.—J. E. Liersch. Vice-pres. & sec.—J. A. Kyles. Vice-pres.'s—I. H. Andrews, R. M. Cooper, W. C. R. Jones, H. P. J. Moorhead, H. A. Renwick.
PRICE BROS. & CO.§ ..... ‡Consolidated. d Deficit.	‡1957 ‡1956	7,329 sq. mi.	485,000	5,696,500 5,935,000	16,450,371 20,335,130	•3,428,000 •3,105,000	75.24 99.69	6,101,000 8,050,000	6,576,699 9,006,939	131.53 180.14	2.91 4.02	4.00 4.00	3.00 3.00	d197,585 2,232,655	38,870,822 43,270,586	Hon. H. J. Symington, chm., Montreal; A. C. Price, pres., Quebec, P.Q.; A. A. Aitken, vice-pres.; J. D. Johnson, W. A. Arbuckle, A. S. Gordon; Montreal; M. R. Kane, A. C. Picard, A. C. M. Thomson, Guy Hudon, Quebec, P.Q.; Anthony Benn, London Eng. Exec. vice-pres.—Hector Cimon. Vice-pres. i/c woodlands.—M. V. Cain. Vice-pres. & treas.—P. W. Sims. Sec.—Fabre Surveyer.
ST. LAWRENCE CORP.§ ..... †Consolidated statement. ‡New common, after 4-for-1 split Dec., 1956. *On new common; $1.50 pd. on old.	1957 †1956	9,600 sq. mi.	392,100	24,957,801 26,386,699	20,667,757 23,353,125	•4,783,795 •4,424,261	10.84 12.57	6,617,083 8,129,660	7,801,920 9,293,230	53.44 61.95	1.58 †1.99	5.00 2.97	1.00 *0.25	2,605,910 6,079,980	36,224,533 38,326,061	M. W. McCutcheon, chm., Toronto; P. M. Fox, pres.; N. A. Timmins, Jr., Vice-pres.; Hon. Edouard Asselin, A. K. Cameron, A. H. Campbell, J. E. L. Duquet, H. C. Flood, Hon. G. B. Foster, J. I. Rankin; Montreal; J. A. McDougald, E. P. Taylor, Col. W. E. Phillips, Toronto; D. J. Sallis, Sherbrooke, P.Q.; Nathan Pitcairn, Philadelphia, Pa.; Arthur Ross, New York. Exec. vice-pres.—C. M. Fellowes. Vice-pres. & gen. mgr.—S. E. Williams. Vice-pres., compt. & treas.—L. A. Tucker. Vice-pres.'s—J. W. Fries, W. T. Pound, C. D. Jentz. Sec.—J. E. Martin.

Fine and Specialty Paper Group

Company	Year	Wood Resources Cords of Sq. Miles	Mill Capacity Annual Tons	Funded Debt $	Net Earn. $	Deprec. $	Times Int. Earned After Deprec. No.	Income Taxes $	Net Profit $	Earnings per Share Pref. $	Earnings per Share Com. $	Dividends Paid or Pay. Pref. $	Dividends Paid or Pay. Com. $	Surplus for Year $	Working Capital $	DIRECTORS
EDDY PAPER CO.§ ..... †Consolidated. ‡Funded debt of subsidiaries.	†1957 †1956	5,800 sq. mi.	155,000	‡20,375,000 ‡21,900,000	6,874,039 7,085,675	•2,055,604 •2,585,167	5.59 5.44	1,793,700 1,749,200	2,078,873 •1,817,062	A 19.72 9.09	6.59 8.09	A 1.00 1.00	1.50 nil	1,547,764 1,617,062	7,272,025 13,039,754	W. Garfield Weston, London, Eng.; R. F. Caldwell pres. & man. dir., Ottawa, Ont.; J. A. Craig, vice-pres., Victoria, B.C.; W. D. Moffatt, vice-pres.; B. W. Power, vice-pres. & treas.; R. H. Hedger, W. S. Kidd; Ottawa, Ont.; J. F. Taylor, Hull, P.Q.; C. L. Gundy, Toronto. Sec.—C. G. Banghart.
•In 1957 annual report co. showed adjusted profit for 1956 of $2,206,219.																
ROLLAND PAPER ..... ‡Class A only after participation; earned $3.26 ($5.44) before partic.; class B earned $1.91 ($3.36) after partic. †Class A only: paid 40c each year on class B.	1957 1956	....	89,000 33,000	5,200,000 5,350,000	1,599,452 1,951,876	479,739 412,707	4.85 7.50	425,300 608,700	463,773 725,271	27.28 42.66	‡2.31 ‡3.76	4.25 4.25	†0.80 †0.80	271,521 533,019	2,314,011 2,071,943	L. G. Rolland, pres. & gen. mgr., St. Jerome, P.Q.; J. A. Weldon, vice-pres. (finance); R. H. Ecclestone, vice-pres. & sales dir.; Montreal; Marc Rolland, vice-pres & mills mgr., St. Jerome, P.Q.; Olivier Rolland, Albert Rolland, Montreal; J. Y. Murdoch, K. S. Maclachlan, Toronto. Treas.—H. A. Leblanc. Sec.—J. P. Lefebvre.
HOWARD SMITH PAPER§ ..... †Consolidated. ‡Including Donnacona Paper Co. Ltd.	†1957 †1956	6,500 sq. mi.	‡320,000	15,816,500 15,897,500	17,144,403 20,395,362	•4,818,157 •5,220,285	21.77 24.28	5,660,006 6,850,000	*6,065,842 7,089,130	37.91 44.31	3.30 3.88	2.00 2.00	1.00+0.20 1.00+0.50	*3,654,542 40,155,005	33,192,561 23,826,400	H. Roy Crabtree, chm.; D. S. Abbott, pres.; H. E. Mason, exec. vice-pres.; E. Howard Smith, G. W. Bourke, deGaspé Beaubien, W. A. Arbuckle, Howard Murray, Col. R. D. Harkness, W. H. Howard, W. N. Hall, Hon. G. B. Foster, C. W. Webster; Montreal; W. E. Phillips, M. W. McCutcheon, J. A. McDougald, E. P. Taylor, Toronto; J. E. Simard, Sorel, P.Q. Vice-pres. finance—J. M. Thompson. Vice-pres. woodlands—W. F. McColm. Vice-pres. sales—W. H. Aird. Sec. & treas.—K. G. Pendock.
*Not including $624,028 (equal to 36c per common sh.) profit on sale of Crabtree Mills and other fixed assets.																
WESTMINSTER PAPER• ..... †Also mfrs. pulp products and by-products. ‡Including depletion. •Also produces groundwood and sulphite pulp.	1957 1956	....	40,000	....	2,026,228 2,075,442	502,589 384,266	....	545,000 755,000	923,744 936,176	A 59.75 47.06	B 1.89 1.93	A 0.50 0.50	B 0.70+0.10 0.70+0.10	528,764 542,388	1,939,358 2,641,777	J. J. Herb, chm., Bellingham, Wash.; A. F. Armstrong, pres. & man. dir.; John Ashby, exec. vice-pres., Vancouver; F. F. Foote, treas.; A. Donald Lauder; Charles Bentall, J. G. Robson; New Westminster; H. F. Dunning, G. N. Carleton. Sec.—W. C. Carlson.

Pulp Group

Company	Year	Wood Resources Cords of Sq. Miles	Mill Capacity Annual Tons	Funded Debt $	Net Earn. $	Deprec. $	Times Int. Earned After Deprec. No.	Income Taxes $	Net Profit $	Earnings per Share Pref. $	Earnings per Share Com. $	Dividends Paid or Pay. Pref. $	Dividends Paid or Pay. Com. $	Surplus for Year $	Working Capital $	DIRECTORS
BATHURST POWER & PAPER ..... •Consolidated. *All products. ‡Before (†after) participation; after partic. cl. A earned $3.03 in 1957; maximum of $4.00 in 1956.	•1957 •1956	2,700 sq. mi.	*194,000	7,700,500 8,264,500	5,336,039 7,830,438	•1,695,090 •1,627,099	9.18 14.93	1,681,000 2,724,000	1,543,172 3,043,752	A ‡3.86 ‡7.61	B †1.03 †4.44	A 2.00+1.00 2.00+1.50	B 1.00 1.50	18,172 1,156,252	11,793,320 11,668,721	R. L. Weldon, pres.; R. H. Christian, exec. vice-pres., R. A. Irwin, vice-pres.; Montreal; J. G. Chalmers, Bathurst, N.B.; Joseph A. Simard, P. N. Thomson, J. B. Woodyatt; Montreal; Hon. G. P. Burchill, Nelson, N.B.; E. M. Little, Quebec, P.Q.; Gordon McMillan, Hon. R. H. Winters, Toronto. Sec.—E. S. Kirkland. Treas.—A. F. D. Campbell
DRYDEN PAPER CO.•• ..... †Recoverable taxes. ‡Loss or deficit. d Deficit per share.	1957 1956	6,600 sq. mi.	142,000	13,500,000 14,000,000	2,116,654 3,627,953	•2,454,729 •2,355,354	.... 1.91	‡394,000 421,000	609,075 186,599	....	d2.83 0.87	....	nil 0.80	*609,075 14,599	1,471,729 1,471,729	J. R. S. McLernon, chm., Montreal; E. L. Goodall, pres., Port Arthur, Ont.; J. W. Wing, vice-pres. & gen. mgr.; David Young sec.-treas.; Dryden, Ont.; W. H. Howard, Montreal; C. H. King, P. G. Walker, London, Eng.; W. E. Soles, E. M. Little, H. D. Ruthman, R. J. Chambers, Quebec, P.Q.
FRASER COS.• ..... †Consolidated.	†1957 †1956	5,522 sq. mi.	280,000	3,150,000 3,500,000	14,211,314 16,778,926	•3,726,790 •3,621,534	99.85 115.67	5,081,000 6,338,000	5,298,524 6,705,642	....	2.38 3.01	....	1.20+0.30 1.15+0.50	1,959,371 3,032,574	15,210,303 16,201,772	Aubrey Crabtree, chm., pres. & gen. mgr.; L. M. Sherwood, vice-pres.; Edmundston, N.B.; A. H. Campbell, Hon. F. P. Brais, C. M. Matheson, H. Roy Crabtree, H. P. Thornhill, Montreal; Hon. D. L. MacLaren, Ralph B. Brenan, Saint John, N.B.; R. A. Jodrey, Hantsport, N.S. Sec.—G. G. Gillies. Treas.—E. S. McLean. Controller—I. B. Deacon.
‡Including depletion. ••Also produces kraft and other papers. •Also produces board and specialty papers.																

Miscellaneous Group

Company	Year	Wood Resources Cords of Sq. Miles	Mill Capacity Annual Tons	Funded Debt $	Net Earn. $	Deprec. $	Times Int. Earned After Deprec. No.	Income Taxes $	Net Profit $	Earnings per Share Pref. $	Earnings per Share Com. $	Dividends Paid or Pay. Pref. $	Dividends Paid or Pay. Com. $	Surplus for Year $	Working Capital $	DIRECTORS
BARBER-ELLIS OF CANADA	1957 1956	....	....	....	792,215 806,910	130,962 111,973	....	277,406 299,962	380,847 391,975	317.37 326.65	8.28 8.81	3.50 3.50	3.20+2.10 3.20+1.60	137,968 176,575	1,499,040 1,610,612	C. G. Ellis, chm. & vice-pres., Brantford, Ont.; E. H. Ellis, pres.; K. W. Murphy, gen. mgr.; J. S. Ellis, treas.; T. A. Thornton, Lt.-Col. Vernon Stott, A. E. Nelson, J. W. Westaway; Toronto; E. W. Thompson, Brantford; D. K. Murphy, Vancouver. Sec.—C. F. Tress.
BUILDING PRODUCTS ..... ‡Including prof. on sale of fixed assets and investments of $1,813 in 1957, and loss of $4,169 in 1956.	1957 1956	....	....	....	3,864,587 4,390,882	718,264 571,298	....	1,448,917 1,760,441	†1,699,219 †2,054,974	....	3.52 4.25	....	1.80 1.80	829,128 1,184,883	6,892,574 6,687,397	W. R. McNeil, chm.; L. S. Odell, vice-chm.; L. F. Long, pres. & man. dir.; J. D. Johnson, G. W. Huggett, J. A. Eccles; Montreal; H. R. Tudhope, Toronto; Joseph Harris, Winnipeg; P. R. Allen, East Walpole, Mass. Vice-pres.—C. E. Turner. Sec.-treas.—J. E. Mitcham.
CANADIAN WALLPAPER ..... •Year ended April 30.	•1958 •1957	....	....	560,000 600,000	420,680 247,300	166,428 157,413	....	39,031 4,400	185,832 60,737	....	A & B 1.44 0.47	....	A & B 0.40 0.20	134,134 34,888	2,508,269 2,824,348	I. C. Sanderson, pres., London, Eng.; N. D. Gough, vice-pres. & man. dir., Toronto; R. E. Mayo, sec.-treas.; T. A. G. Staunton, G. Y. Ormsby; Toronto; J. R. Craig, Cakville, Ont.; Alfred Whittle, Manchester, Eng.; J. Watson, Darwen, Lancs., Eng.; J. W. Huntington, J. A. Mullin, S. W. Wilbur.
W. J. GAGE ..... †Consolidated. ‡For comparative purposes earnings per share based on shares o/s at Dec. 31, 1957.	†1957 †1956	....	....	1,600,000 1,600,000	896,280 721,026	289,183 110,838	8.91 66.13	246,000 284,732	292,980 316,229	‡58.60 ‡63.25	‡2.29 ‡2.42	4.50	0.62½	196,555 316,229	1,719,037 1,625,158	F. C. Schofield, hon. chm.; C. N. Parkinson, chm.; Toronto; G. H. Love, pres., King City, Ont.; W. E. Case, vice-pres. finance and sec., Scarborough, Ont.; W. R. Wees, vice-pres. publishing, Stouffville, Ont.; A. W. Gillespie, vice-pres. oper.; J. H. Dunham, R. S. Parish, W. F. Spragge, J. F. Taylor; Toronto; E. A. Blanchard, Winnipeg.
HENDERSHOT PAPER PROD. ..... *Credit. †Initial divd. on redesignated 6% shs.; also paid $4.60 per sh. on former 5% shs. *On new common; also paid 50c on old com. shs.	1957 1956	....	....	1,485,000	197,410 362,350	59,912 54,292	....	*19,591 132,196	157,089 175,862	22.44 23.48	0.74 0.96	6.00 †2.20	0.40 *0.22½	52,966 100,697	352,599 748,249	Argue Martin, chm.; J. C. Colclough, pres. & gen. mgr.; Hamilton, Ont.; Daniel Robertson, vice-pres., Brantford, Ont.; G. K. Masters, vice-pres.; O. J. McKeough; Toronto. Sec.-treas.—D. M. McKeown.
HINDE & DAUCH PAPER ..... ‡Consolidated. *Years ended Oct. 31. †Payment made on Nov. 20, 1956, incl. in 1957, instead of 1956, accounts.	‡*1957 ‡*1956	....	....	4,700,000 3,200,000	4,734,692 4,906,258	1,460,109 1,254,652	18.30 29.89	1,510,000 1,670,000	1,585,629 1,859,450	....	4.40 5.17	....	†2.25 †1.35	775,629 1,373,450	8,955,460 6,934,406	Sidney Frohman, chm.; C. E. Frohman, vice-chm.; Sandusky, Ohio; W. H. Palm, pres. & gen. mgr.; T. E. Lloyd, vice-pres. & sec.; M. H. McArthur, vice-pres.; R. L. Warren; Toronto; D. L. Luke, J. D. Cowan, D. L. Luke, III, New York. Treas.—R. S. Kellow.
SIDNEY ROOFING & PAPER ..... •In 1957 annual report co. showed adjusted profit for 1956 of $760,305. ‡Excess of curr. liabs. over curr. assets.	1957 1956	....	....	6,750,000 7,000,000	1,962,778 2,100,943	423,876 588,845	4.89 5.64	515,469 596,900	708,433 •647,145	A 14.17 12.94	B 6.63 6.02	A 0.90 0.90	B nil nil	663,433 602,145	‡561,025 4,376,369	W. Garfield Weston, chm., London, Eng.; R. W. Mayhew, vice-chm.; J. A. Craig, pres. & man. dir.; T. E. Finical, vice-pres. mfg.; H. Mears, vice-pres. sales.; H. E. Brown, sec.-treas.; Victoria, B.C.; R. F. Caldwell, Ottawa; A. H. Williamson, Vancouver
SOMERVILLE	1957 1956	....	....	4,909,390 2,617,802	1,623,996 1,823,718	495,483 449,618	5.25 9.35	335,700 543,200	577,827 683,971	15.11 17.54	1.32 1.61	2.80 2.80	nil nil	469,985 572,671	2,804,746 1,450,532	W. Garfield Weston, chm., London, Eng.; F. C. Lennox, pres. & gen. mgr.; A. G. Shillington, vice-pres., prod.; F. B. Campbell, sec.-treas. & controller. G. C. Snell; London, Ont.; J. A. Chambers, F. J. Orr.
J. C. WILSON ..... d Loss or deficit.	1957 1956	....	....	....	262,836 337,813	118,287 138,909	....	60,056 42,515	80,399 150,912	....	0.49 0.91	....	0.50 0.50	d2,476 68,037	1,278,859 1,199,373	F. Howard Wilson, pres.; H. G. Lafleur, vice-pres.; J. B. Morgan, Dudley Dawson, J. Pembroke, Col. G. M. Strong; Montreal. Vice-pres. mfg.—R. M. Cairns. Vice-pres. mktg.—A. Welch. Vice-pres. & sec.-treas.—R. D. Linton.

Canada's Pulp and Paper Mills

Newfoundland

COMPANY	HEAD OFFICE	MILL	PRODUCTS
Anglo-Canadian Development Co.	Grand Falls	Grand Falls	Groundwood, unbleached sulphite, newsprint, groundwood printing and specialty papers, paperboards
Bowater's Newfoundland Pulp & Paper Mills Ltd.	Corner Brook	Corner Brook	Groundwood, unbleached sulphite, newsprint

Nova Scotia

Halifax Power & Pulp Co.	Sheet Harbour	Sheet Harbour	Groundwood
La Have Pulp Co.	New Germany	New Germany	Groundwood
Mersey Paper Co. Ltd.	Liverpool	Brooklyn	Groundwood, unbleached sulphite, newsprint
Minas Basin Pulp & Paper Co.	Hantsport	Hantsport	Groundwood, building papers, paperboards

New Brunswick

Bathurst Power & Paper Co.	Montreal	Bathurst	Groundwood, mechanical screenings, unbleached sulphite, unbleached sulphate pulp, chemical screenings, semi-chemical, paperboards
Fraser Companies Ltd.	Edmundston	Edmundston	Groundwood, mechanical screenings, bleached sulphite (paper pulp), unbleached sulphite (strong), bleached sulphate pulp, unbleached sulphate pulp, chemical screenings, building paper, paperboards
Fraser Companies Ltd.	Edmundston	Newcastle	Unbleached sulphate pulp
Irving Pulp & Paper Ltd.	Lancaster	Lancaster Vale	Bleached sulphite (paper pulp)
New Brunswick International Paper Co.	Montreal	Dalhousie	Groundwood, mechanical screenings, unbleached sulphite (news grade), chemical screenings, newsprint, paperboards, paper products
Fraser Companies Ltd.	Edmundston	Atholville	Bleached sulphite (dissolving), bleached sulphite (paper pulp), chemical screenings
St. George Pulp & Paper Co. Ltd.	Saint John	St. George	Groundwood

Quebec

Anglo-Canadian Pulp & Paper Mills Ltd.	Quebec	Quebec	Groundwood, mechanical screenings, unbleached sulphite (strong), unbleached sulphite (news grade), chemical screenings, newsprint, paperboards, paper products
Barrett Co.	Montreal	Joliette	Defibrated or exploded wood, building papers, paper products
Barrett Co. Ltd.	Montreal	Louiseville	Defibrated or exploded wood, building boards, paper products.
Bennett Ltd.	Fort Chambly	Fort Chambly	Wet machine boards, paper products
Bishop Asphalt Papers Ltd.	Portneuf Station	Portneuf Station	Building papers
John Breakey Ltd.	Breakeyville	Breakeyville	Groundwood
Building Products Ltd.	Montreal	Pont Rouge	Groundwood, defibrated or exploded wood, building boards
Building Products Ltd.	Montreal	Ville LaSalle	Defibrated or exploded wood, wrapping papers, building papers, paperboards
Canada Paper Co.	Montreal	Windsor Mills	Groundwood, bleached sulphate pulp semi-bleached sulphate pulp, unbleached sulphate pulp, newsprint, groundwood printing and specialty papers, fine papers, tissue paper other than sanitary, sanitary papers, special industrial papers, wrapping papers, paper products
Canadian Glassine Co.	Quebec	Quebec	Wrapping papers
Canadian International Paper Co.	Montreal	Three Rivers	Groundwood, mechanical screenings, unbleached sulphite (news grade), chemical screenings, newsprint, paperboards, paper products
Canadian International Paper Co.	Montreal	La Tuque	Bleached sulphite (dissolving), bleached sulphate pulp, unbleached sulphate pulp, sanitary papers, wrapping papers, paperboards, paper products
Canadian International Paper Co.	Montreal	Gatineau	Groundwood, bleached sulphite (dissolving), bleached sulphite (paper pulp), unbleached sulphite (news grade), chemical screenings, newsprint
Canadian International Paper Co.	Montreal	Temiskaming	Bleached sulphite (dissolving), bleached sulphite (paper pulp), chemical screenings
Canadian Johns-Manville Co.	Toronto	Asbestos	Asbestos paper
Philip Carey Co.	Lennoxville	Lennoxville	Asbestos paper
Consolidated Paper Corp.	Montreal	Three Rivers	Groundwood, semi-bleached sulphate pulp, unbleached sulphate pulp, newsprint, tissue paper other than sanitary, sanitary papers, wrapping papers
Consolidated Paper Corp.	Montreal	Cap-de-la Madeleine	Groundwood, newsprint
Consolidated Paper Corp.	Montreal	Grand Mere	Groundwood, mechanical screenings, unbleached sulphite (news grade), chemical screenings, newsprint, paperboards, paper products
Consolidated Paper Corp.	Montreal	Port Alfred	Groundwood, mechanical screenings, unbleached sulphite (news grade), chemical screenings, newsprint, paperboards
Consolidated Paper Corp.	Montreal	Shawinigan Falls	Groundwood, unbleached sulphite, (news grade), chemical screenings, newsprint
Donnacona Paper Co.	Quebec	Donnacona	Groundwood, mechanical screenings, unbleached sulphite (news grade), chemical screenings, newsprint, building boards, paper products
Donohue Brothers Ltd.	Quebec	Clermont	Groundwood, newsprint
E. B. Eddy Co.	Hull	Hull	Groundwood, mechanical screenings, bleached sulphite (paper pulp), unbleached sulphite (news grade), chemical screenings, newsprint, groundwood printing and specialty papers, book paper, fine papers, misc. fine papers, tissue paper other than sanitary, sanitary papers, special industrial papers, wrapping papers, paper products
J. Ford & Co.	Portneuf Station	Portneuf Station	Defibrated or exploded wood, tissue paper other than sanitary, sanitary papers, wrapping papers, building papers, paper products
Gair Company Canada, Ltd.	Toronto	Montreal	Paperboards
Gaspesia Sulphite Co.	Quebec	Chandler	Bleached sulphite (paper pulp), unbleached sulphite (strong)
Gulf Pulp & Paper Co.	Quebec	Clarke City	Groundwood
Howard Smith Paper Mills	Montreal	Beauharnois	Book papers, fine papers, misc. fine papers, tissue paper other than sanitary.
Jonquiere Pulp Co.	Quebec	Jonquiere	Groundwood, bleached sulphite (paper pulp), unbleached sulphite (news grade), special industrial papers, paperboards
International Fibreboard Ltd.	Montreal	Gatineau	Groundwood, defibrated or exploded wood, building boards, paper products
Kingsey Pulp & Paper Corp.	Kingsey Falls	Kingsey Falls	Paperboards
Lake Megantic Pulp Co.	Lac Megantic	Lac Megantic	Groundwood
Lotbiniere Pulp & Paper Co.	Danville	Danville	Groundwood
James MacLaren Co. Ltd.	Buckingham	Buckingham & Masson	Groundwood, unbleached sulphite (news grade), newsprint
Masonite Company of Canada	Montreal	Gatineau	Defibrated or exploded wood, building boards, paper products
Megantic Manufacturing Co.	Lac Megantic	Lac Megantic	Groundwood, building boards, paper products
Milmont Fiberboards Ltd.	Montreal	Montreal	Wet machine boards
Mohawk Corporation Ltd.	Riviere-du-Loup	Riviere-du-Loup	Groundwood
Nairn Falls Pulp Co.	Quebec	Clermont	Groundwood
Price Bros. & Co.	Quebec	Kenogami	Groundwood, unbleached sulphite (news grade), chemical screenings, newsprint, paperboards
Price Bros. & Co.	Quebec	Riverbend	Groundwood, unbleached sulphite (news grade), chemical screenings, newsprint
Quebec North Shore Paper Co.	Montreal	Baie Comeau	Groundwood, unbleached sulphite (news grade), newsprint
Richmond Pulp & Paper Co. of Canada	Bromptonville	Bromptonville	Groundwood, semi-chemical, newsprint
Rolland Paper Co. Ltd.	Montreal	Mont Rolland	Book paper, fine papers
Rolland Paper Co. Ltd.	Montreal	St-Jerome	Fine papers
St. Lawrence Corp.	Montreal	Three Rivers	Groundwood, unbleached sulphite (news grade), newsprint
St. Lawrence Corp.	Montreal	East Angus	Groundwood, mechanical screenings, unbleached sulphate pulp, chemical screenings, sanitary papers, wrapping papers, building papers, paperboards, paper products
St. Lawrence Paper	Montreal	Dolbeau	Groundwood, unbleached sulphite (strong), unbleached sulphite (news-grade) newsprint

(Continued on page 61)

Saskatchewan

Hopes for Mill

From Our Own Correspondent

SASKATOON — Saskatchewan has no pulp and paper plants but prospects for one or more are good, according to Natural Resources Minister A. G. Kuziak.

Two or three Saskatchewan firms make use of the pulping process—for example in the making of fibreboard and the manufacture of blockboard—but as for a pulp and paper industry as such, it doesn't exist.

The province was near to having one a few months ago when **Robert Campbell and Associates** of Vancouver bought property near Prince Albert, and announced it would carry out its plans of early 1956 to build a pulp mill.

However, the project has been abandoned for the time being and the company has let slip its option on Crown timber lands. It retains the property it bought.

The reason for the halt in activity, according to Kuziak, was the general business recession of a few months ago. "Campbell was ready to proceed until that came along," Kuziak says, "but he told me in view of it, he would have to just hold up and take a look at things for several months.

"I don't know what his present plans are."

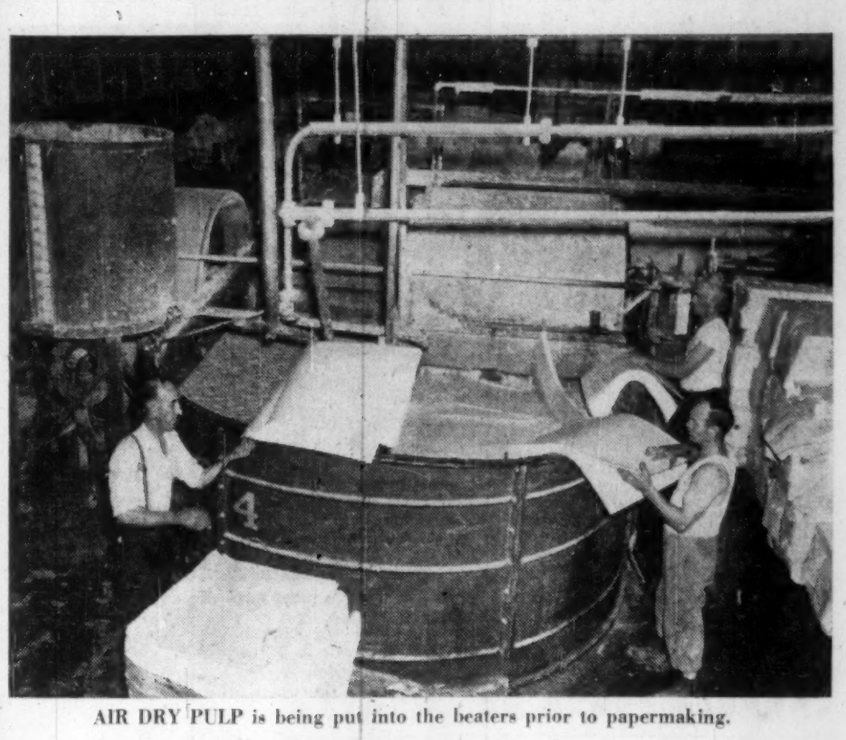
Kuziak says there are two drawbacks to a pulp and paper industry in Saskatchewan at the present time:

- **Lack of markets** in Canada now.
- **Distance** to markets.

However, he is optimistic for the future. "In 1961 or 1962 there's no doubt that we'll have a pulp and paper industry. With a greater increase in population, we'll be able to market the product."

One other firm has expressed interest in a pulp and paper industry in Saskatchewan, but backed out because of financial difficulties. The firm is **Black and Associates** of California.

Kuziak says, too, that **Anglo-Canadian Pulp & Paper Mills** at one time expressed interest in Saskatchewan and took an option on land. However, nothing ever came of it.



AIR DRY PULP is being put into the beaters prior to papermaking.

Paper Mill Research

Crown Zellerbach Corp. and Hawaiian Sugar Planters' Association have agreed to launch expanded research and testing on use of bagasse (a sugar cane byproduct) in papermaking.

The aim: To determine whether it's feasible to build a paper mill in Hawaii to use around 75,000 tons of bagasse yearly.

The joint research deal will cost $600,000, take place both in Hawaii and the U. S.

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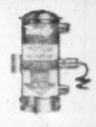
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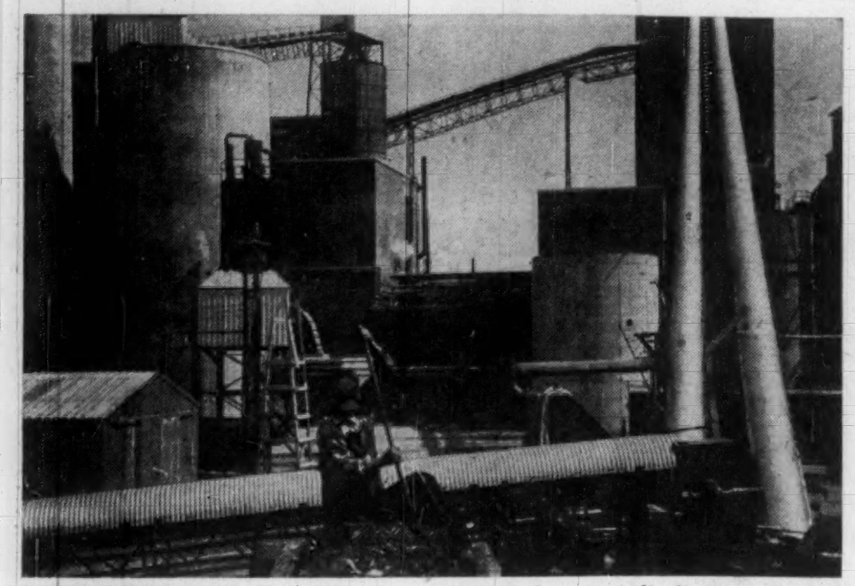

WASTE IS NOT wasted. They are put into the storage bins, onto the digesters where all the impurities are sifted.

Southern U.S.

Tough Competition

The blooming pulp and paper industry of the Southern U. S. is a tough competitor for Canada, will get tougher.

But it's not scaring the Canadian industry out of its growth. All studies—U. S. and Canadian—agree on that. They see considerable expansion ahead for both.

The example most to the point: **Bowater's.**

Bowater Corp. of North America is the parent of both **Bowater's Newfoundland Pulp and Paper Mills Ltd.** — which has a big Canadian newsprint operation — and **Bowaters Southern Paper Corp.** — with large newsprint output in Tennessee.

Both have been expanding, an indication that Bowater feels rising world demand will call for greater output in both great producing areas.

Bowater's Southern installed a third newsprint machine last year. A fourth is on the way.

At the older Canadian operation (at Corner Brook, Nfld.), a speedup and improvement program has been completed.

Dollarwise, the Canadian expansion doesn't rate with the southern. But the Canadian mill already is a very large one.

One great Southern handicap is the forest fire frequency.

The South accounts for about 80% of all U. S. forest acreage destroyed by fire.

Many of the fires are the work of firebugs. They stem from "poor-white" resentment of big companies (many of them from "The North"), from the desire to get work fighting fires, attempts to clear land or sheer unreasoning spitefulness.

Southern newsprint producers, while they worry about fires, can rejoice at being surrounded by large newspapers with huge appetites for newsprint.

This situation invites close relations between the industry and the publishers.

Coosa River Newsprint Co., for example, has over 100 newspapers among its owners, is a typical young giant of the southern industry.

Backed by **Kimberly-Clark** know-how, it began operation in 1950 with two newsprint machines and a pulp mill. It was a realization of the dream of Southern Newspaper Publishers' Association that the South should turn out its own newsprint.

The Alabama-based company recently started production with its third paper machine, widest in the U. S. and part of a $35 million expansion program.

In all, there are around 70 southern pulp mills. Of these more than 30 are mills with capacities of more than 500 tons daily.

Reliable statistics indicate capital investment (in terms of replacement value) in the southern pulp and paper industry is about $3,000 million.

Salaries and wages paid total $350 million yearly (Canada: $300 million) to some 75,000 workers (Canada: around 65,000).

Within a few years Southern newsprint output should top a million tons — about a sixth of present Canadian output.

The once-useless southern pine is the hero of the piece, from a southerner's viewpoint.

It matures quickly because of warm weather and lots of moisture.

It grows easily almost anywhere; is, in fact, a constant threat to farmers' fields.

Add to this the relatively low wage level in the south, proximity to markets, progress in research into fuller utilization of southern varieties and the only possible conclusion is that this is a formidable competitor for Canada, now and in the indefinite future.

Remember, however, that as industrialization floods over the south, the wage-salary advantage possessed by the southern industry will slowly disappear.

In terms of paper and board production, here is the record in the south:

Alabama — Doubled since 1946 to more than 700,000 tons in 1956.

Georgia and Florida — Up about 300% since 1946 to 3.7 million tons in 1956.

Louisiana — Up roughly 60% since 1946 to 1.9 million tons in 1956.

Arkansas and Texas — Up more than 150% to 1.1 million tons.

North Carolina — Almost tripled to 800,000 tons.

Mississippi — Less than doubled, to 728,000 tons.

South Carolina — Less than doubled, to a million tons.

Virginia — Less than doubled, to 1.2 million tons.

For the whole southern region — more than doubled to 12 million tons.

This brings the South close to 40% of the U. S. total compared with about 30% in 1946.

How Much Growth Left

How much growth is left in the southern pulp and paper industry?

One expert estimates the South can meet doubled demand for pulpwood over the next 20 years.

Admittedly this would require strenuous efforts. But much of the privately-owned woodland in the South is not anywhere near full utilization. And much forest land could support large additional quantities of wood.

CAREER-POTENTIALS UNLIMITED:

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These Products:

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MONTREAL 2

Atomizing

Latest Techniques

Among recent major research developments in Canada:

- **Howard Smith Paper Mills' magnefite process** in pulpmaking.
- **The Atomized Suspension Technique of Pulp** and Paper Research Institute of Canada. AST may have uses in many industries where there are no problems in treating flowing material.

The magnefite process involves cooking with magnesium bisulphite solution without the normal excess of sulphur dioxide; and using a higher combined sulphur dioxide concentration than that used for acid sulphite production.

Research results show that pulps superior to regular sulphite pulps can be produced. Faster pulping, lower rejects and greater brightness may also be obtained.

Importantly, it allows the use of a variety of wood species, mixed if desired.

Also, it is reported: The process allows a self-sustaining operation with low heat and chemical losses; eliminates stream and air pollution; allows production of both chemical and semi-chemical pulps with a single recovery system.

Advanced work is being done by Howard Smith on this seemingly simple, economic process.

AST (**FP**, Aug. 23) stems from efforts of the Research Institute to recover valuable materials from spent liquor streams. Intensive additional work is now being done, in the hope that AST will be widely applicable in the pulp and paper industry.

Chemical firms also are deeply interested.

And the first AST plant to treat sewage has centred continent-wide interest on the Montreal Island town of Beaconsfield.

There's hope AST can be employed extensively in sewage treatment and end water pollution problems which afflict so many heavily urbanized districts.

The Beaconsfield plant is designed for a community of 12,000, concentrates the sewage to 9%-12% solids, sends it flowing into the AST unit through a spray nozzle.

In a long chimney-like container heated electrically to 1,400 deg. F., this sludge is burned, leaving a small ash.

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1. Sturdy cast iron bearing stand and casing mounting ring. These components are interchangeable on all size pumps up to and including No. 3. Engineers like this feature, since they often effect economies by standardizing on one line of pumps with varying capacities.

2. Easily-renewable bronze wearing rings protect casing from wear.

3. High efficiency bronze impeller. Enclosed type has liberal openings, to handle abrasive solids. Open type, without wearing rings, is optional.

4. Oversized ball bearings running in oil provide rigid support for shaft and impeller.

Add the heavy cast iron frame, oversize shaft, extra-deep stuffing box, long-wearing gland with packing furnished — and you have a total of eight superior engineering features built into every "Canadian Buffalo" Single Suction Pump.

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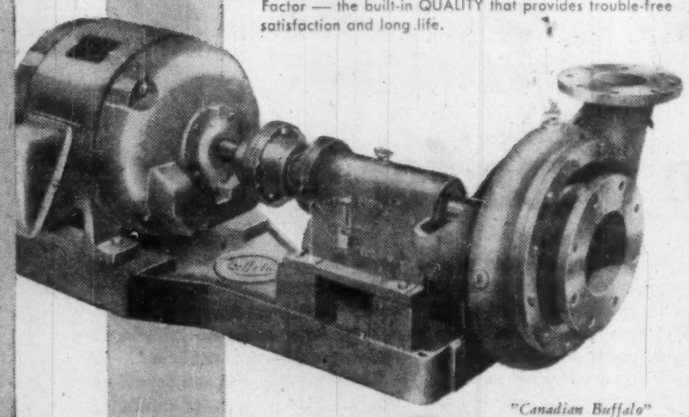
"Canadian Buffalo" Pumps bring you the famous "Q" Factor — the built-in QUALITY that provides trouble-free satisfaction and long life.



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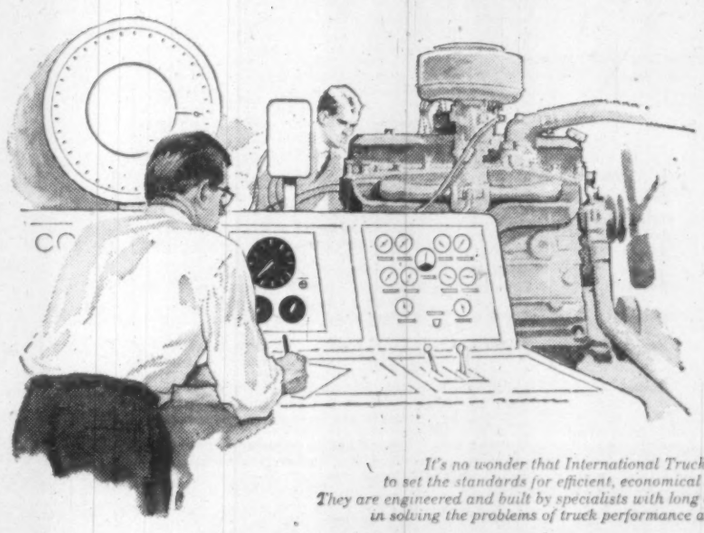

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Gordon Report

Huge Potential

Capital expansion programs in the pulp and paper industry die hard.

Recessions come and go, but it takes a real economic wallop to put a dint in newsprint, pulp, paperboard and other growth plans.

And even when growth is slowed down, it shows remarkable vitality in recovering at the first sign of general improvement in business conditions.

Why?

The answer is almost obvious. The underlying long-term demand trend is strongly upward. In all nations, consumption of paper and paperboard rises not only with the population, but also with the degree of literacy and the standard of living.

So the industry has three plus factors on its side . . .

- **The quite rapid rise** in the world's population.
- **The even more rapid increase** in the number of people who can read.
- **Better living standards** in most nations.

This year these bare-bone generalities were clothed with informed and detailed estimates of market trends to 1980.

These were contained in a forestry study done for the Gordon Commission on Canada's Economic Prospects by a six-man group.

Naturally they are subject to many reservations about future economic and political developments. But they outline the impressive expansion potential for pulp and paper.

Canada's big export is newsprint. We are the world's top producer. The U. S. is the major market.

The study suggests U. S. newsprint needs will rise past 10 million tons in 1980, about 50% more than present requirements. Other informed estimates tend to bear this out.

"If the historical trend (in the U. S.) is simply projected it yields the astonishing figure of 14 million tons for 1980.

"Do we, in fact, face such an exciting, if perhaps ultimately embarrassing, prospect?

". . . **A simple projection of the trend line embodies the assumptions that historical factors will continue to be present, that their future courses will not deviate** from those of the past and that the influences of all these factors on newsprint demand will not change.

"There can be little doubt that these assumptions, however tempting, cannot be made."

There appears to be a limit on the average number of newspaper pages an individual will take time for. In the U. S. this limitation seems already to have been felt; and, in the future, it may hold growth of newsprint consumption below that in other less highly developed nations.

But, even a small percentage increase in the big U. S. market is large when translated into tons of newsprint.

Canadian newsprint demand, now less "mature" than that in the U. S., should show a greater percentage growth. The prospect: Roughly, the doubling of our newsprint consumption between now and 1980.

Similarly in overseas nations, where demand per capita is lower than in North America.

It's estimated that:

- **South American demand** will jump from 460,000 tons in 1955 to 1.9 million in 1980.
- **Russian demand** will rise in the same period from 600,000 tons to 2.2 million.
- **Asia, from 909,000** to 3.2 million.
- **Oceania, from 350,000** to 700,000.
- **North America, excluding Canada** and U. S., from 150,000 tons to 475,000.
- **Africa, from 115,000** to 360,000.
- **Europe, already a heavy** consumer, from 3.4 million to 5.5 million tons.

Much of the increase in these markets will be accounted for by production in domestic plants. But a good chunk will be left for importers to fight over.

The study estimates that the U. S. will be importing more than seven million tons (five million in 1955). Overseas nations may be importing more than four million tons from North America in 1980 (under a million in 1955).

Thus demand for Canadian newsprint could well top 12 million tons by 1980, almost double the present figure.

For other pulp and paper products:

Wood pulp exports from Canada could approach five million tons in 1980, comfortably more than double today's total. More than two-thirds will go to the U. S., but shipments to the U. K. should double to more than 600,000 tons and exports to other European nations could triple to more than 300,000 tons.

Paperboard will continue to be largely an industry devoted to Canadian consumers. Its growth will depend upon the estimate of doubled domestic demand by 1980 becoming a reality.

Book, writing and groundwood papers may show almost doubled output by 1980 —630,000 tons compared with about 340,000 last year. Exports account for about 15%, probably will do the same in 1980.

Building boards and papers may hit 575,000 tons by 1980, more than double the present figure.

Wrapping papers can look for 515,000 tons by 1980 (less than 10% going to the export market) compared with about 275,000 now (less than 10% exports).

Tissue and sanitary papers: More than 200,000 tons by 1980, about 70% more than today's 120,000.

These figures, of course, should be recognized for what they are — informed estimates, based on underlying trends, to be modified accordingly as year-to-year business, political and technological conditions vary.

But they tell the story of why pulp and paper men are always thinking expansion.

The Outlook

Here's how pulp and paper trends look in the period to 1980 to a forestry study group which prepared a detailed report for the Gordon Commission on Canada's Economic Prospects. Released earlier this year, the study was done by John Davis, A. L. Best, J. M. Smith, D. A. Wilson, P. E. Lachance, S. L. Pringle.

Big Canadian pulp growth

	1954	Est. 1980	
Output	9.6 million tons	20.7 million	UP 114%

Wood use will soar

	1954	Est. 1980	
Consumption	13.7 million cords	28.3 million	UP 107%

Newsprint demand will rise

	1955	Est. 1980	
World	13 million tons	25.8 million	UP 98%

Need for Newsprint

	1955	Est. 1980	
From Canada	6.2 million tons	12.4 million	UP 100%

The U. S. — Biggest Newsprint Buyer

	1955	Est. 1980	
U. S. needs	6.6 million tons	10.4 million	UP 58%

Our Own Newsprint Market

	1955	Est. 1980	
Canadian needs	430,000 tons	950,000	UP 121%

More Market Pulp

	1954	Est. 1980	
Canadian Exports	2.2 million tons	4.9 million	UP 123%

And More Paperboard

	1954	Est. 1980	
Canadian Production	800,000 tons	2.2 million	UP 175%

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Any Ideas For Fire Fighting?

Wanted: New ways to prevent and fight forest fires.

To get any ideas that might otherwise be overlooked, the second National Forest Fire Research Conference held at Dorset, Ont., this summer decided to "pick" delegates' brains in a "brainstorming" session.

For one hour, delegates and press representatives, divided into 10 groups, were asked to pour forth any and all ideas — no matter how wacky they seemed — concerning various subjects assigned to the respective groups.

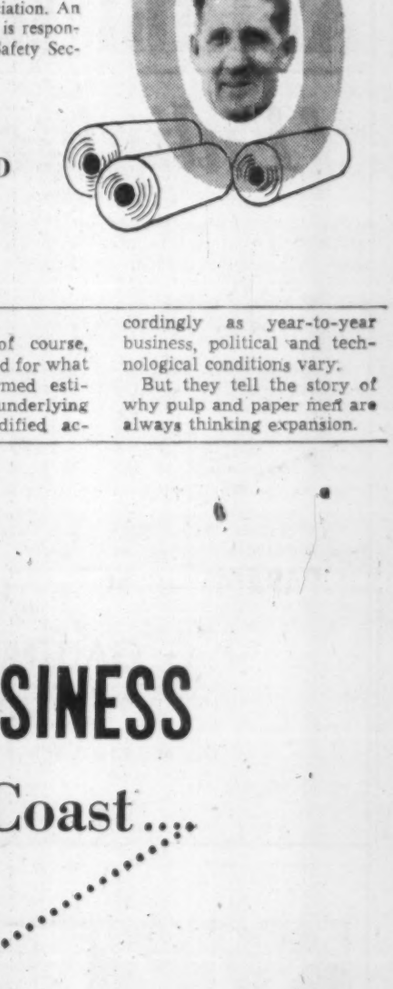
Most ingenious offering came from the group probing ways and means of reducing the fire hazard of slash. Slash includes the limbs trimmed off trees in the logging operation and left on the ground to rot.

The suggestion—with tongue in cheek: Breed a slash-eating goat.

Such an animal would remove the fire hazard by eating it, would fertilize the cut-over area and provide milk for loggers.

A further refinement: Cross-breed the slash-eating goat with a burro. The resulting hybrid could then also be used as a pack animal to move equipment and supplies in case of a forest fire.

While this was one of the zanier suggestions, the brainstorming session produced well over 300 ideas, many of which, woodland experts admit, are worthy of further investigation.



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J. Newell Stephenson, B. Sc., M.Sc., D.Sc., Editor-in Chief. Mr. Stephenson has received honour awards in Canada and the U.S. for outstanding contributions to the technical development of the pulp and paper industry, including the TAPPI medal in 1939, and the Canadian Pulp and Paper Association Special Service Award in 1954. For thirty-eight years he has been editor-in-chief of the textbooks on pulp and paper manufacture, jointly sponsored by the U.S. and Canadian industries.

Brian H. Taylor, B.A., Managing Editor, has edited Canadian and U.K. industrial and business publications for many years. He is responsible for the editorial content of the feature section and departments, and the general editorial management of the magazine.

Fred A. Price, O.B.E., B.Sc., P.Eng., Technical Editor, gained early experience in equipment and machine installation at the mills of Price Bros. and Company. He later became Assistant Plant Engineer at Donnacona Paper Company. Prior to joining the publication Mr. Price practised as an engineering and industrial consultant.

Robert W. Upton, Woodlands and Safety Section Editor, works closely with the Woodlands Section of the Canadian Pulp and Paper Association. An editor of this magazine since 1947, he is responsible for Woodlands Review and the Safety Section.

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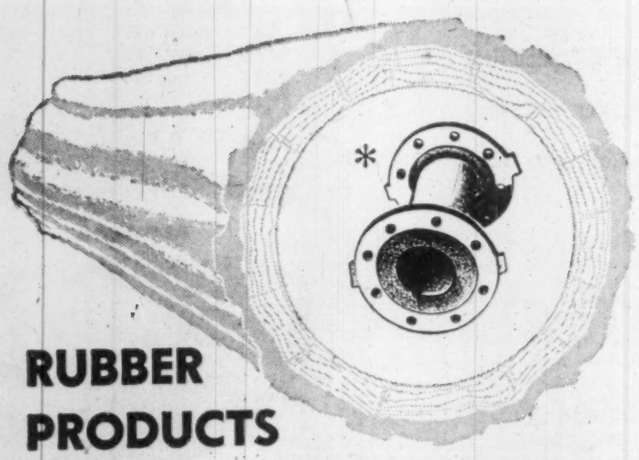

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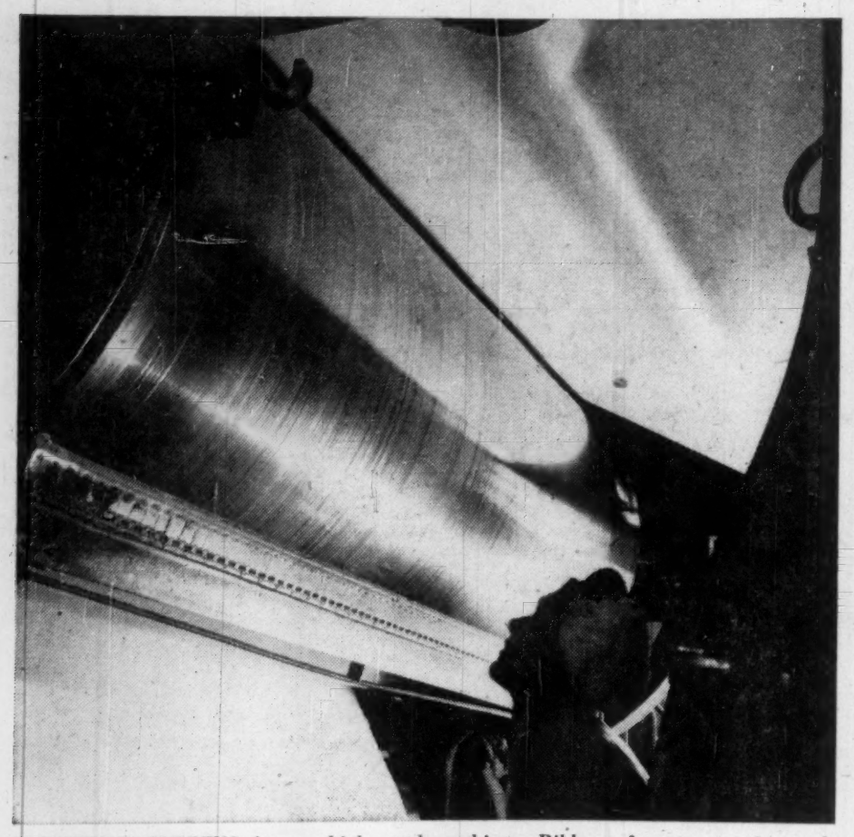

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Abitibi Research

'Enlightened Logging'

"Enlightened logging" has replaced the old smash-and-grab style of forest cutting.

The aim: Sustained yield, with Canadian forests producing a good quality product forever.

Canada is lucky. Her forests have largely survived the era of uncontrolled cutting.

Her big forest companies and governments have a lively appreciation of the profit to be won from good forest management.

Governments have put royal commissions to work on this subject — most recently in British Columbia and New Brunswick.

Government-sponsored forest inventories already have covered much of the nation. You have to know the kind of trees you have — and their location — before you can do an intelligent job of conservation.

There are other things to be surveyed — and controlled as far as possible. These include fire, insects, disease and death of trees by "old age."

Pulp and paper companies, individually and through the Canadian Pulp and Paper Association, are doing much to promote the intelligent use of our forests.

All this activity is based on a single fundamental change in attitude by all concerned.

A few decades ago it occurred to almost no one that the forest could be seriously depleted; or, if it could be depleted, that it shouldn't be regarded as a wasting asset like a mineral — something which could be used once, and then was gone forever.

This has all changed.

The change, probably, is most graphically illustrated by the activities of the companies in the industry.

Abitibi Power & Paper Co., for instance, has described its logging practices in some detail.

The company reported that of timber limits of 26,000 sq. miles, 5% were company-owned, 11% leased from owners, 84% leased from provincial governments.

Provincial regulations on harvesting are strict. The company acquires no right or title to the land itself.

The large area necessary to supply Abitibi's needs reflects:

- **Company demand, at capacity,** for 1.3 million cords yearly.
- **The fact that trees in northern forests** take up to 100 years to mature.
- **The desire to maintain** sustained yield.

Some of Abitibi's wood is purchased from farmers. But most comes from company limits.

At recent rates of cutting, the company estimates its limits will last indefinitely. In other words it has reached a state of sustained yield. Each year, on average, the forests will grow as much new wood as Abitibi will harvest.

The cutting cycle, therefore, would cover 100 years—a far cry from the old, thoughtless method of cut-it-all-and-move-on followed by many operators.

At the end of the first 100-year cycle there should be 100 patches of roughly equal area — one for each year's cutting operation. Trees on these patches will range in age from one to 100 years.

It doesn't come out quite that neatly, of course. Different trees take different periods to mature. While spruce may take 100 years, balsam may take 70, poplar 60.

And Abitibi has found that its cutting methods result in a satisfactory new forest from natural growth on 85% of its area.

The other 15% needs human help.

Therefore Abitibi carries out extensive research—both on assisting natural regeneration and on planting seedlings — on a 40,000-acre forest research "laboratory" at the Ontario Lakehead.

Experience of other companies will differ from Abitibi's. There may be more or less natural regeneration from area to area. Especially vigorous measures against disease or insects in some places may be needed.

But the object is the same for all: Obtaining a sustained, economic yield through sound management based on full knowledge of the types of trees and the things affecting their growth.

No one in the pulp and paper industry pretends the last word has been written on this subject. Or even close to it.

Preoccupation with perpetual yield is too new, research and inventory operations too recently begun for detailed answers to have appeared.

What, for instance, can be done to reduce loss by natural causes? It's estimated that this equals the nation's whole annual pulpwood cut.

Quite spectacular things can be done to check this loss — as witness the aerial budworm spraying in New Brunswick and Quebec.

It's probable that more new and startling advances will be made in forest protection.

More progress will come in boosting efficiency of cutting methods. Tree farming is becoming more widespread. Forest taxation should slowly improve, giving operators more incentive to adopt socially and economically desirable policies.

These things all affect forest management. As they alter, forest management theories and techniques must keep up.

This costs money. Periodic inventories are needed. Fire towers and telephone lines go in. Roads costing up to $10,000 a mile are built. Research must be continuous.

In certain things—fire prevention and fighting, for instance — the efforts of one company should be integrated with those of others and with government activities.

This is easier said than done.

Should one company lose badly needed loggers to fight a fire miles away on government lands?

Shouldn't governments spend more for firefighters and on firefighting research? The pulp and paper companies have been remarkably successful in cutting fire damage on their own limits. The government has a tougher job to face, since its lands often have very limited access.

Slowly government and industry are licking many of their forest management problems.

Yet they have just begun.

The next decade should see further great progress.

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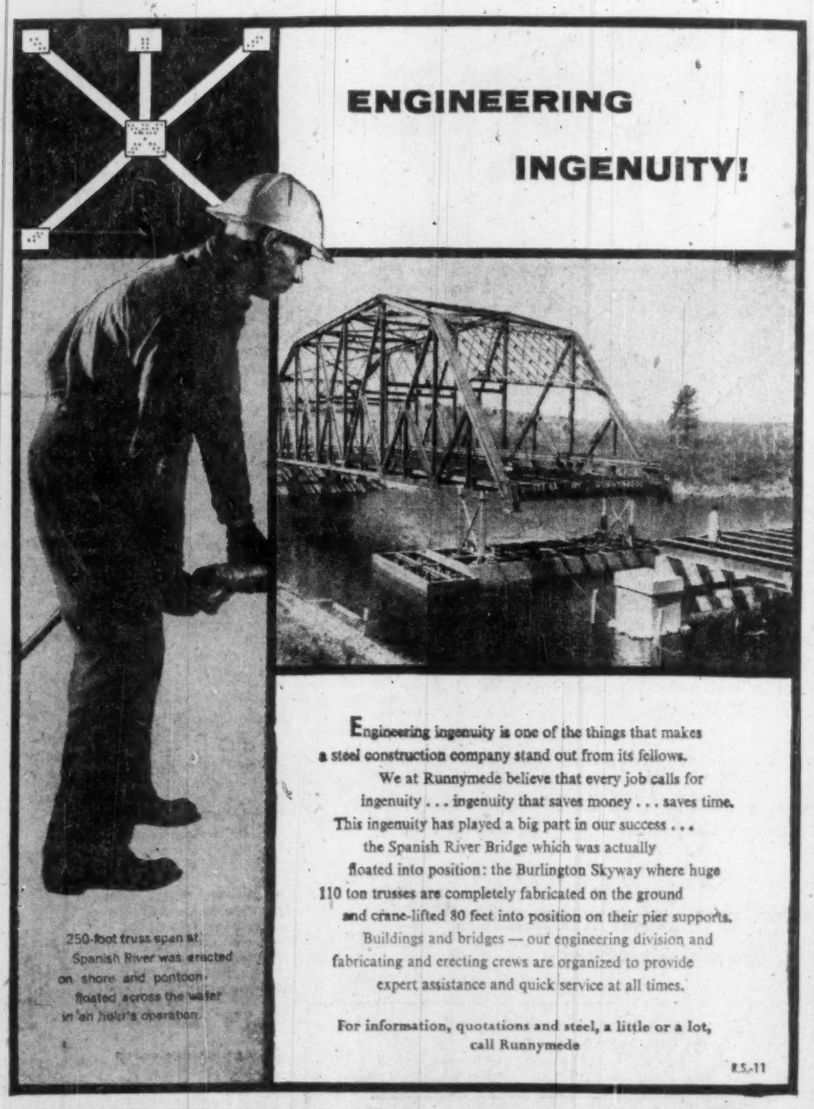

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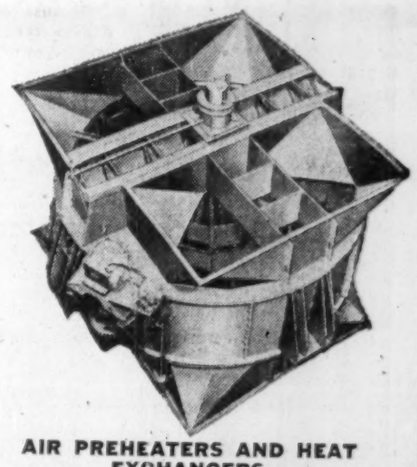
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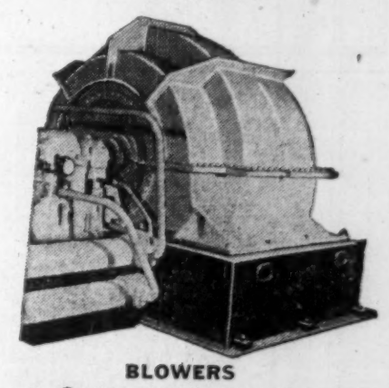
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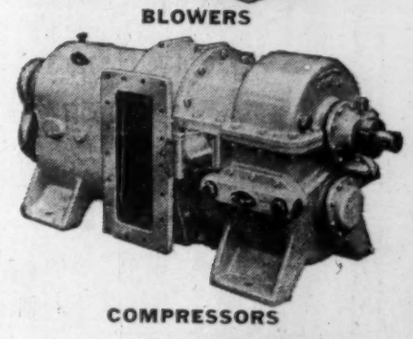
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Fire Fighters

Scientists 'Gaze' for Weapons

A growing number of forest experts are cruising Canadian woodlands with their heads in the cloud.

Their feet, however, are solidly on the ground.

Object of their sky-gazing is to learn more about lightning — the only natural phenomenon that can directly cause a forest fire — and one of the nation's greatest forest fire dangers.

Annual losses due to lightning-caused fires are staggering.

From 1946 to 1955 lightning accounted for 20% of all Canadian forest fires—second only to smokers who were responsible for 22% of forest blazes.

In 1955, lightning was believed responsible for 30% of all forest fires.

Until recently there has been a fatalistic attitude toward lightning-caused fires on the part of many woodsmen. As a result, this aspect of the forest fire problem has been largely neglected.

This attitude is beginning to change.

Forest experts, realizing that such big losses can no longer be tolerated, **are trying to learn more about the nature and occurrence of lightning**, and the detection, behavior and control of lightning-caused fires.

Even meteorologists don't agree on what causes lightning.

Thunderstorms usually develop with the formation of massive cumulonimbus clouds by rapid updrafts of air rising by convection from a hot, humid area.

But opinion varies widely as to what happens inside these vast thunderheads to produce a giant multi-million volt spark which either leaps from cloud to cloud or discharges from a cloud to ground.

The length of a lightning stroke from cloud to earth may vary anywhere from 2,000 to 16,000 feet. Current strength may range from 1,000 to 200,000 amps.

LIGHTNING AND CARELESSNESS are the main causes of forest fires.

When a bolt of lightning strikes the earth it can generate temperatures up to 30,000 deg. C.—capable of igniting fuels that would resist a blowtorch. The latter, by way of comparison, generates heat in the 2,000 deg. to 3,000 deg. F. range.

Because of their tremendous power, lightning strokes are capable of penetrating far beneath the surface of the ground they strike. Resulting fires, accordingly, may smoulder underground for days before breaking through to the surface.

Observations in the Pacific Northwest of the U. S. indicate over half the lightning-caused fires remain undiscovered up to a week.

Dealing with lightning fires presents knotty problems for fire fighting forces.

- **Lightning frequently strikes in remote, hard-to-get-at areas, making transportation of fire crews** to the scene extremely difficult.
- **A thunderstorm, when it occurs, often causes many fires.** As many as 200 fires have been started by a single storm.
- **Certain areas in various provinces appear to be more prone** to lightning storms than others.
- **There is a suspicion that some fuel types may be more prone** to lightning strikes than others.
- **While a thunderstorm is usually accompanied by rain, the lightning generated by the storm may travel out** to the edge of the cloud formation before grounding to earth thus striking in an area which may not have been wetted down by the storm.

The ideal way of reducing forest losses caused by thunderstorms is to eliminate the lightning.

Woodland experts are slowly coming to the conclusion that this may not be as hopeless as it seems.

In the U. S. particularly, extensive experiments in weather modification through cloud seeding are being undertaken. The technique has also been tried out in Canada on a limited scale.

Initially, object of cloud seeding experiments was to try to produce rain useful in fighting forest fires.

Opinion of many scientific experts seems to be that, so far, most instances of successful rain making have been in areas under conditions in which there was a high probability rain would have fallen naturally.

Cloud seeding, however, appears to have been successful in hastening precipitation, the premature breakup of thunderclouds or other modification of the cloud structure.

This, experts believe, has been successful in reducing the incidence of lightning.

In most weather-modification techniques, clouds are "seeded" with silver iodide, released in the air by balloon, aircraft, rocket or by ground generators.

Experiments in the U. S. are aimed at determining the conditions when cloud seeding may be expected to produce results and the best method of seeding.

The other side of lightning research is aimed at developing better methods for spotting lightning fires and putting them out.

What researchers are trying to determine:

- **Where and when lightning** is most likely to strike.
- **Where it is likely** to start a fire.
- **Which areas in a lightning** zone contain the most valuable timber.

Investigations so far have shown that the hazard is by no means uniform across Canada.

For example, it appears a high percentage of Ontario's lightning fires occur in the Sudbury-Chapleau area. In Quebec the Miniwaki district is the danger zone.

A high percentage of British Columbia's lightning-caused fires occur in the Nelson and Kamloops forest districts.

By charting the occurrence of lightning fires, woodland experts hope to be able to pinpoint the high-hazard areas and concentrate more fire crews there.

With the aid of meteorologists, woodsmen also hope to learn more about atmospheric conditions that cause thunderstorms. With such knowledge, fire crews could be moved into an area in which storms are building up.

In British Columbia, for example, it has been discovered that a weak cold front moving in off the Pacific (usually after a dry spell), while not strong enough to cause much rain, frequently sets off thunderstorms.

Meteorologists now keep a special lookout for such weak fronts in order to pass a warning to firefighters.

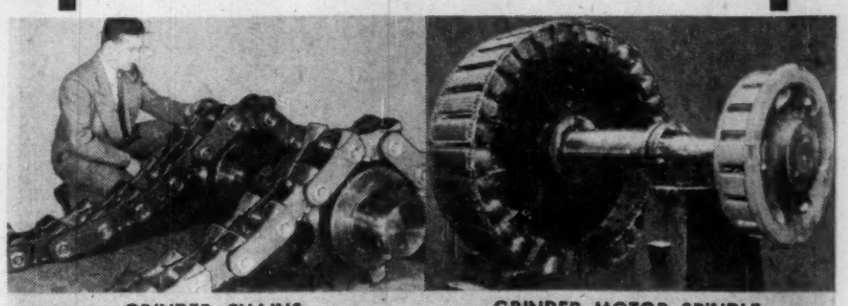
Another problem is pinpointing fires caused by lightning strokes.

Developments in electronics may soon be of help here.

Radar, for example, can plot lightning discharges though present equipment shows a "preference" for cloud-to-cloud strokes.

Lightning strokes to ground, scientists suggest, could be detected by radio direction-finding equipment and their location plotted by triangulation.

CANFORGE SERVES THE PULP AND PAPER INDUSTRY



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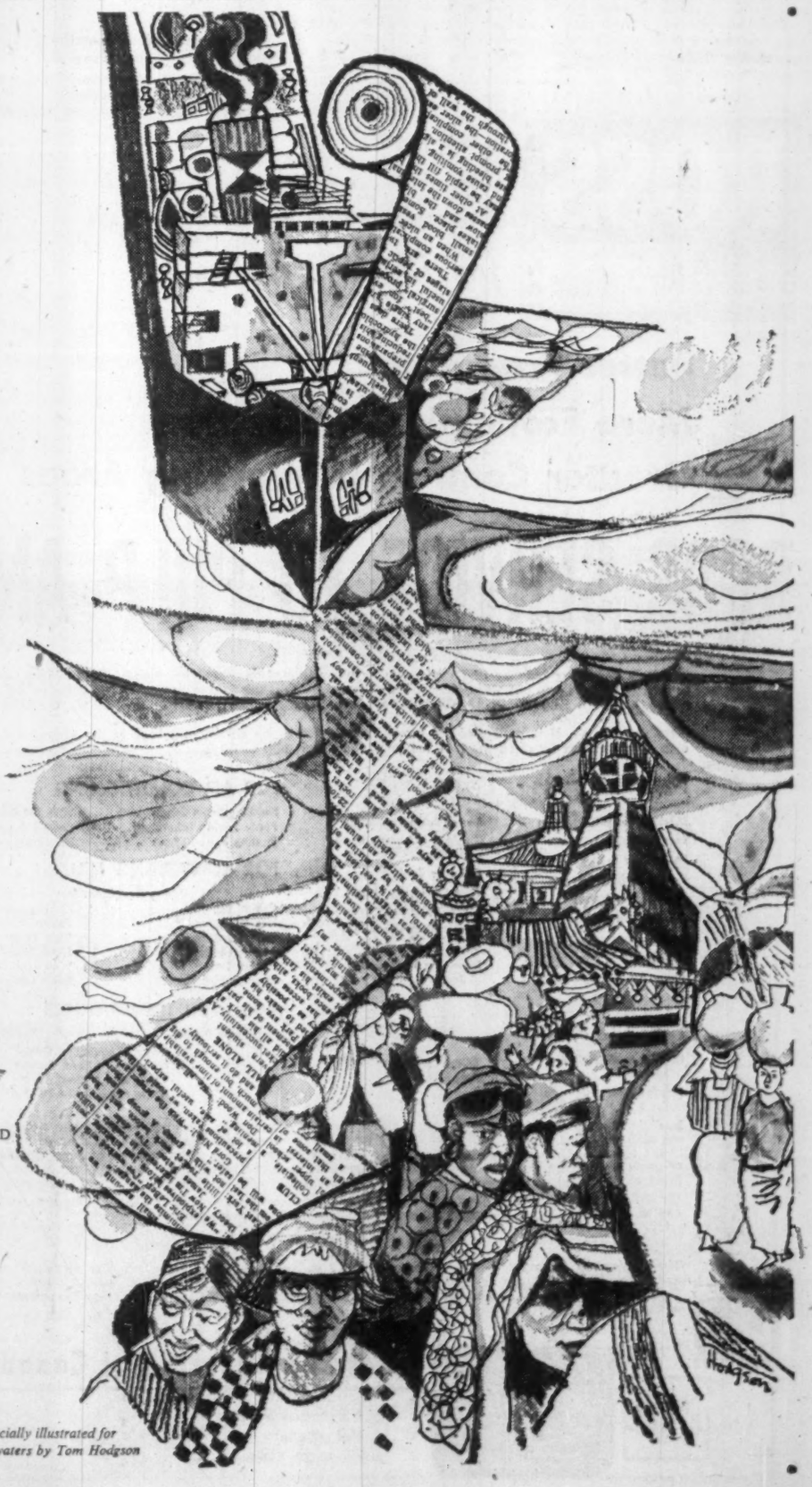
Seascape

What is an ocean? To us it is a broad highway carrying newsprint from our mills to our customers all over the world. In years to come the ocean highways will carry more and more newsprint.

Today 40% of the world's population cannot read or write. Ten years from now this figure will be reduced to less than 30%. This then is the market which must be served by the ocean highways.

The present capacity of the newsprint industry is only a fraction of the total that will be required in the next decade. To help supply this huge requirement for newsprint, the Bowater Organization is constantly developing and expanding its production facilities in North America, Britain and Europe.



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Liverpool, Nova Scotia
Calhoun, Tennessee

A MEMBER OF THE BOWATER ORGANIZATION

Specially illustrated for Bowaters by Tom Hodgson

ALL THE COSTLY and time-consuming handling and rehandling of individual logs is on the way out.

Costs Problems

Caught in the Corner

Cost is no longer the speedster you run from, staying one leap in front.

Now it's the rough tough bruiser who has you cornered and whom you have to fight.

That's the way it is for the pulp and paper business.

For years the message from the economy to the industry was: Produce; keep expanding or demand will swamp you. For a decade production in Canada ran at 100% or more of rated capacity.

Suddenly, last year, the general business slowdown knocked a hole in this rather pleasant though frantic existence.

The expansion of demand slowed, stopped, became a moderate decline. And this just at the peak of one of the Canadian industry's biggest growth programs.

Production percentages dropped below 100, below 90, below 80 in some cases.

And the speedster—costs—which management had always managed to outdistance, began to catch up.

Profits dropped sharply, in a few cases disappeared for short periods.

"In the past," says a veteran observer, "we had been crude in our operations because the objective was more output, at almost any cost.

"Now we are looking around for production and administrative economies. And we are finding them. It is most encouraging."

Operating costs aren't the only problem. Replacement and—for new mills—initial capital expenditures have risen very high.

"A new 300-tons daily newsprint mill might cost $36 million today. At that price it would be hard to show a profit at present newsprint prices."

In today's drive for economies, there are the usual staff reorganizations and eliminations of "deadwood."

Further, and more important, much thought is being given to production economies.

These start with the tree itself.

Pulpwood is an awkward thing to work with. And, in relation to its value, it needs considerable handling.

Thus there is considerable interest in whole-tree logging, chemical killing of trees, new barking machines—mechanized logging generally.

One suggestion is that the best way to handle pulpwood is in the form of chips; as soon as possible after cutting, the trees should be converted into chips.

These can be easily stored, quite economically handled—it's even suggested they could be transported by pipeline—in an air or water medium.

In pulp production, two big trends are being pursued—fully automated continuous pulping and higher yield.

Both are bringing noticeably greater efficiency.

Automation helps in cutting labor costs. So does mechanized logging.

But there is argument over their long-run effects on labor costs. Often automation doesn't reduce the number employed as much as expected at first glance.

And even where it does, it also raises the level of skills in the labor force. Typically, automation dispenses with low-skilled people, requires a higher proportion of skilled and semi-skilled in the work force.

Where technological advance substantially raises per-man productivity, unions put on great pressure for wage increases to go hand-in-hand with higher productivity.

Past experience has shown—in the pulp and paper as well as other industries—that it's most difficult for management to "out-run" rising labor rates. Usually, major economies must come elsewhere.

There have been some interesting suggestions about raising the efficiency of workmen. Some were in a paper delivered this year to the American Pulp and Paper Mill Superintendents' Association by H. M. Gray of **Sealright-Oswego Falls Corp.**

". . . Let us increase our own efficiency by greatly increasing the amount of favorable effective time which we apply to our work.

"Very few people are really very efficient. It is doubtful if any of us are as efficient as we could be if we gave thought each day . . . to directing our actions over the greatest number of hours to produce the greatest favorable results.

"It is doubtful whether most of us plan each day's work well in advance so that we may know what we are going to do, when we are to do it, and why.

"If we set examples by establishing higher standards of performance we may be surprised at how contagious the practice may become . . ."

Elimination of overtime work is another road to cost reduction now being explored.

In the era of produce-at-all costs, this was necessarily ignored.

Now, with plenty of excess capacity, careful production policies can cut into the overtime bill.

Gray says:

"We agree to pay a certain amount for the first 40 hours' work. Beyond that we are required to pay 50% increase . . . We go further. We agree to pay 100% more; and in some cases even 200% to 300% increase in price if we purchase additional quantities of labor from the same source of supply on certain specified days of the week or certain days of the year.

"I don't know why we do these things in the purchase of labor.

"We would consider it complete insanity to agree to do this in purchase of materials."

How Costs Caught Up

Here's how costs caught up with some of Canada's pulp and paper companies in 1957:

	Sales	Costs
Consolidated Paper	down 4%	down 3%
Howard Smith	down 1%	up 2%
Bathurst	down 7%	down 1%
Abitibi	down 3%	up 1%
Great Lakes	up 18%	up 34%

These percentages compare the sales trend with operating costs. They are based on figures not exactly comparable for all purposes.

But in this case they illustrate neatly the flexibility which appeared in demand and the relative inflexibility of costs. For every company listed here, the movement in costs compares unfavorably with the movement in sales.

The example of Great Lakes is that of a company which substantially expanded capacity and sales during a period of softening demand and rising costs.

GREAT LAKES PAPER CANADA

READY FOR OUR MARKET

Our new No. 4 machine, largest of its kind in the world, began operation in July. This marked completion of the major expansion programme which we began in May 1955.

At that time we had two newsprint machines with a rated capacity of 156,000 tons a year. Our present four machines have a potential of at least 360,000 tons a year.

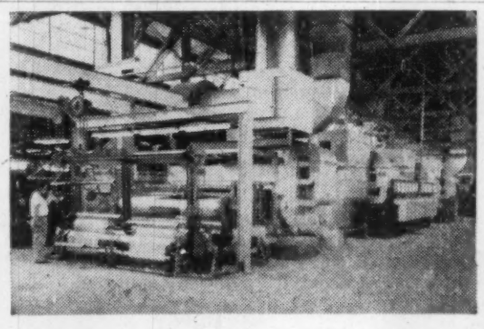
We have thus increased our newsprint capacity by more than 130 percent. We have also modernized our mill throughout and have developed our power and wood resources to keep pace. We are ready in every way to meet the long-term upward trend of newsprint demand in which we believe our great midwest market will lead the way.

THE GREAT LAKES PAPER COMPANY, LIMITED

ROSS Air Systems

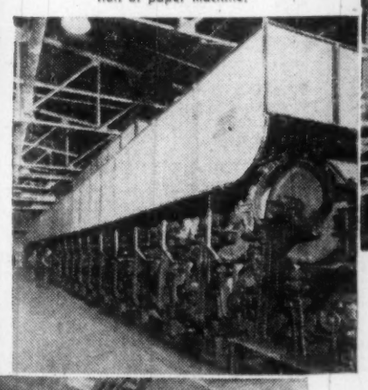
Engineered Atmospheres for Better Processing

Better Products
More Economical Production
Greater Comfort in Working Areas

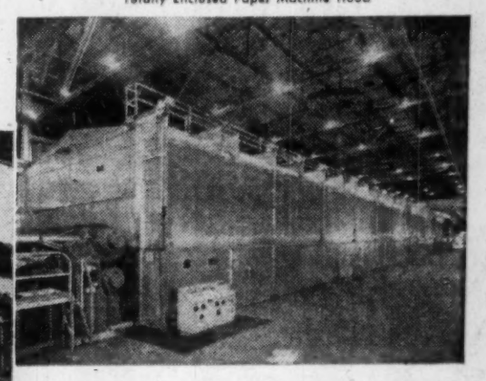


Conversion unit on plastic coated paper with Ross Dryer in the background.

ROSS Open Type Hood over drying section of paper machine.



ROSS-HOOPER
Totally Enclosed Paper Machine Hood



ROSS SERVICE TO PULP AND PAPER

The Pulp and Paper Industry of Canada with its many faceted operations has found in Ross Engineering and Manufacturing Service the profitable answer to numerous problems, the answer coming in the form of BETTER PRODUCTS • MORE ECONOMICAL PRODUCTION • MORE COMFORTABLE WORKING CONDITIONS.

Here, for example, is an outline of this broad Ross Service which got its start back in the early twenties and which over the years has benefited most of the pulp and paper mills of Canada:

FOR PAPER MILLS

Machine Room Ventilation
Summer Cooling System
Ross-Briner Economizer
Paper Machine Hoods
Ross-Hooper Hoods
Ross-Grewin System
Vapor Absorption System
Felt Drying System
Paper Moistening System
Beater Room Ventilation
Finishing & Storage Room Heating
Calender Cooling
Thim Conveying System
Dryer Drainage Systems
White Water Heating
Cowie Scraper
Dissolving Tank Heat Recovery

FOR PULP MILLS

Heating and Ventilating Systems
Grinder Exhaust Systems
Ross-Hooper Smelting Unit
Ross Pulp Dryer

FOR AIR CONDITIONING

Finishing Room Conditioning
Paper Testing Laboratory
Printing Press Rooms
Web Conditioner
Central Type Systems
Ross-Cycle Conditioner

FOR CONVERTING MILLS

Drying Equipment for:
Coated Paper
Flocked Paper
Gummed Paper
Lacquered Paper
Printed Paper
Photographic Paper
Playing Cards
Safety Paper
Sand Paper
Sized Paper
Wall Paper
Resin Coated Paper

FOR HIGH TEMPERATURES

Drying or Baking
Zoned Control Drying
"Airay" Infra Red Ovens
Oil and Gas Fired Heaters
Direct and Indirect Types
Temperatures up to 1000°F

BUY CANADIAN
KEEP CANADIANS WORKING

In designing and manufacturing various units for the above operations, we often work closely with one or more of our affiliates, listed in the shield below. Their work complements ours both in the production of pulp and paper, as in the case if J. O. Ross Engineering and Ross Midwest Fulton, and in the conversion of paper products. In the field of conversion where we work with Waldron Engineers, we can jointly supply complete conversion units, such as listed above. Waldron supplies the processing and mechanical units; we supply the drying and curing sections.

We shall be glad to discuss any project whether it involves expansion or modernization. In the case of the latter, much can be done to both reduce costs and improve products and working conditions.

Ross Serves Other Industries, Too

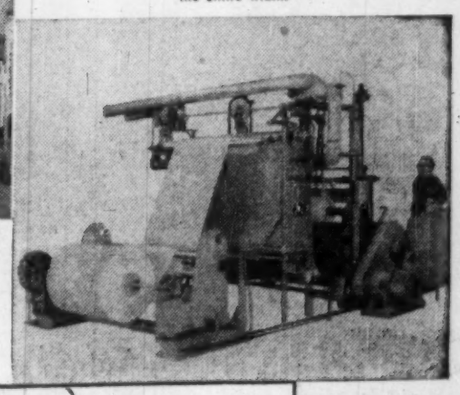
The 'Engineered Atmosphere'—the basic concept of Ross Service—has its place in many industries other than pulp and paper. Ross units can be found in such industries as textiles, rubber, metal painting, ceramics, chemicals, plastics, foundries, drugs . . . industries where heating or cooling air or other gas under precision control and direction is the key processing element.

ROSS SYSTEMS

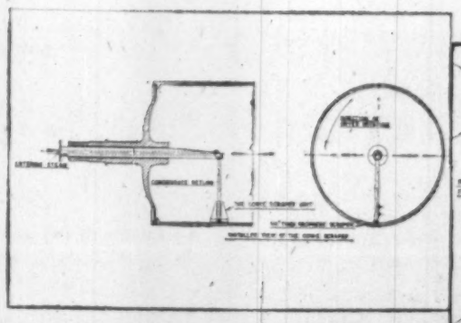
THE MIDLAND-ROSS GROUP OF COMPLEMENTING SERVICES
J. O. Ross Engineering, New York
John Waldron Corporation, New Brunswick, N. J.
Andrews and Goodrich, Boston
Ross Engineering of Canada Limited, Montreal
Ross Midwest Fulton, Dayton
Hartig Extruder, Mountainside, N. J.
Eastern Ross Engineering Company, Ltd., England

Ross Engineering of Canada, Ltd.
A subsidiary of Midland-Ross Corporation
304 St. Patrick Street
City of LaSalle
Montreal 32, Quebec

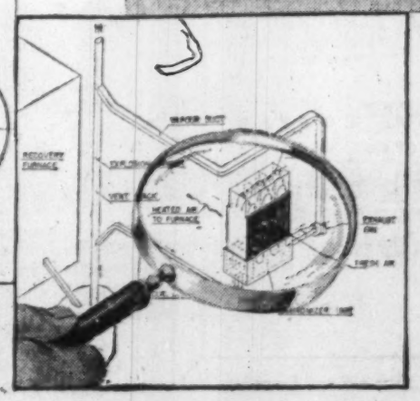
ROSS Convection Type Pulp Dryer



Web Conditioner Unit for adding desired moisture to a paper web uniformly across the entire width.



Sketch of the Cowie Scraper, the purpose of which is to withdraw the condensate from rotating paper machine dryers.



ROSS Dissolving Tank Heat Recovery System reduces heat and soda losses in the vapor going up the dissolving tank vent stack. (Developed in co-operation with engineers of Fraser Companies, Limited, Newcastle.)

How Prices Have Changed

	NEWSPRINT †	Dissolving Pulp*	PRICES IN U. S. MARKET (A) Bleached Sulphite Domestic	Unbleached Sulphite Domestic	Bleached Kraft Domestic	Unbleached Kraft Domestic	Groundwood Domestic
1946	72.25		$ 94.00-115.00	$ 82.00- 95.00	$ 94.00-107.50	$ 76.00- 95.00	$58.00- 80.00
1947	88.50	$132.00-149.00	115.00-125.00	105.00-115.00	125.00-135.00	95.00-125.00	75.00- 85.00
1948	97.67	157.00-164.00	126.00-135.00	125.00-130.00	155.00-185.00	120.00-135.00	80.00- 85.00
1949	100.00	150.00-159.00	118.00	100.00-130.00	118.00-147.50	82.50-112.50	60.00- 70.00
1950	101.00	159.00-185.00	122.00-135.00	107.00-117.00	122.00-141.00	82.50-120.00	70.00- 77.50
1951	111.00	185.00	135.00-145.00	132.50-145.00	135.00-200.00	140.00-150.00	85.00-110.00
1952	121.00	185.00	140.00	125.00-132.50	142.00-150.00	100.00-140.00	82.50-100.00
1953	126.00	185.00	140.00	120.00	142.50-150.00	100.00-140.00	82.50-100.00
1954	126.00	185.00	140.00	120.00	142.50-150.00	100.00-140.00	82.50-100.00
1955	126.00	185.00	145.00	120.00	147.00-150.00	110.00-120.00	75.00- 85.00
1956	130.00	185.00-188.00	150.00	125.00-130.00	152.00-155.00	125.00-130.00	82.50- 90.00
1957	133.00	185.00-188.00	150.00	130.00	152.00-155.00	130.00	82.50- 90.00
1958	134.00	185.00	155.00	130.00	160.00	130.00	82.50- 90.00

A—All pulp prices in U. S. $ per ton of 2,000 lb. air dry weight.
†—Annual averages in $ per ton of 2,000 lb. delivered New York.
*—F.O.B. mill with full freight allowed to consuming plant.
Source: Wood Pulp Statistics (22nd edition), United States Pulp Producers Association.

Our Best Customer

U. S. Key to Newsprint Future

The U. S. market is the key to the health of the Canadian newsprint industry.

The U. S., easily our best customer, takes about three quarters of total annual Canadian newsprint output.

Near-term prospects of Canadian newsprint depend largely on two U. S. factors:

- **Extent of the economic recovery** south of the border during the next few months.
- **Advertising plans for 1959** now being hatched on New York's Madison Ave.

Resumption of the upward trend of newsprint consumption in the U. S. would brighten prospects of Canadian makers considerably.

While there is no doubt that such an upturn will come, the big question is when.

Over the past decade apparent U. S. consumption of newsprint has increased 32%. From 5.1 million tons in 1948 it rose sharply to 5.9 million tons in 1951. The increase through to 1954 was less rapid, followed by a renewed spurt of consumption in the two following years.

By 1956 consumption reached 6.8 million tons, highest point in the decade.

But with the recession, consumption started to slide. In 1957 it was 6,778,000 tons, down 24,000 tons from the previous year.

So far this year the down trend has been continued.

In the first seven months, U. S. consumption at almost 3.8 million tons is off 5.2% from four million tons in corresponding 1957.

Canadian newsprint shipments to the U. S. up to 1956 fairly closely paralleled U. S. consumption. In 1957 they fell off relatively more than U. S. consumption.

In 1957 Canadian shipments at almost 5.1 million tons were down 4.1% from almost 5.3 million tons in the previous year.

In the first seven months of this year, Canadian shipments to the U. S. were down 7.5% from three million tons in corresponding 1957.

U. S. production of newsprint has been rising rapidly in the past five years. From an output of almost 1.1 million tons in 1953, production increased 69% to 1.8 million tons last year.

In 1957 while total Canadian production decreased 1.1% U. S. production was 11.7% greater than 1.6 million tons in the previous year.

But the slump in U. S. demand has now caught up with producers in that country. In the first seven months of 1958 U. S. production at one million tons was down 8.1%.

Despite the decrease in demand, production capacity in both countries is increasing.

In the U. S. additional capacity either already brought in this year or scheduled by early 1959 totals in the vicinity of 500,000 tons. This is roughly the same as in Canada.

Keys to U. S. consumption are the daily and Sunday newspapers which account for an estimated 93.5% of all newsprint sold in the U. S.

The current decline in consumption is blamed largely on the recession, which has bitten deeply into advertising linage.

In the first half of 1958 U. S. newspaper advertising in 52 major cities was down 7.8% from corresponding 1957.

The increasing importance of television is also playing a role. While total U. S. expenditures for advertising in 1957 at $10.4 billion were 11.3% greater than in the previous year, newspapers' share declined from 33.6% to 31.9%.

In the first half of 1958 while publishers were crying the blues, TV executives were sitting comparatively pretty.

TV network billings were up 12.5%.

During the past few years, publishers have been working hard to find ways to save newsprint. Measures range from reducing waste in the printing plant to an increase in the number of columns on a page.

Some publishers who have moved from eight to nine columns per page, for example, estimate they are saving seven pages of newsprint for every 56 they publish.

Increases in the circulation price of some dailies — resulting in an at least temporary drop in circulation—has also contributed to the reduced demand for newsprint. So has the continuing trend toward newspaper mergers.

In the post-war period, consumption of newsprint has been increasing at a slower rate than the index of page-times-circulation.

With the decline in newsprint makers' profits and operating ratios, there have been considerably fewer complaints about newsprint prices by U. S. publishers.

Despite the slump in demand and overcapacity in the industry, newsprint prices have held firm at $134 per ton (U. S. funds), unchanged since March of 1957 when a $4 per ton hike was put into effect.

Price cuts seem unlikely. Newsprint makers feel that a cut would have no significant effect on volume and thus would only serve to reduce already slim profit margins.

OUR FINE PAPER mills produce nearly 1,000 different grades of paper for everything from bank notes to magazines.

Wrapping Paper Holds Own

Wrapping paper may not be depression-proof, but it offers a stout resistance to a depression's little brother—recession.

The reason: In a recession (unlike depression) retail trade tends to remain stable, or even rise slowly as it has in the past 18 months.

Wrapping paper, quite naturally, tags along.

And while it has been weathering recessions it has also become a much more sophisticated item than it was in the corner store cracker-barrel days.

Packaging today is big business, tied intimately with advertising, market research —the whole business of selling to a choosy public.

Result:

- **Plenty of competition** from other packaging materials.
- **But, also, good demand for wrapping paper, especially for paper sacks** and bags which account for more than half of Canadian use.

More exotic uses are in early stages of development —paper mail bags, sheets, etc.

Marketwise, the Canadian industry must depend upon domestic demand. It is unable, now, to achieve the economies of large-scale production possible in the U. S. However, U. S. imports aren't large—around 1% or 2% of our market.

The problem of scale should ease as Canadian demand grows.

Thinking now is that our production should top 500,000 tons by 1980, of which about 8% or 10% will be exported.

If this estimate is correct, growth will be quite rapid.

Wrapping paper output has shown a decided—though erratic—uptrend since the war.

Tonnage was 162,000 in 1945, jumped to 257,000 in 1951, slid off a little over the next few years, then came on to a record 288,000 tons in 1956 and then 276,000 last year.

Dollar value was $17.6 million in 1945, a record $61.1 million in 1956, with no 1957 total available.

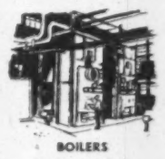
In this year's first quarter, output was 66,207 tons compared with 64,695 in corresponding 1957. Use in Canada was up from 59,452 to

(Continued on page 60)

Single arm pulpwood stacker. Also built in double arm, self propelled types.

STRUCTURAL STEEL WORK

PLATEWORK



BOILERS

WAREHOUSE STEEL

"Stacking your profits..."

... is dependent to a great extent on efficiency of operation. As a result of its many years of close association with the Pulp and Paper Industry, Dominion Bridge offers a wealth of experience in the design and fabrication of equipment for this specialized field.

Whether it be pulpwood stackers or boilers, cranes or digesters, you are assured of efficiency of operation with Dominion Bridge equipment. Our five divisions are at your service.

1. *Mechanical* — Cranes, pulpwood stackers and other handling equipment.
2. *Structural* — Steelwork for buildings, conveyors, etc.
3. *Platework* — Sulphate and sulphite digesters and other vessels.
4. *Boiler* — Several types to suit varying operating conditions.
5. *Warehouse* — Steel supplies available from nine centres across Canada.

DOMINION BRIDGE COMPANY, LIMITED

PLANTS: MONTREAL • OTTAWA • TORONTO • WINNIPEG • CALGARY • VANCOUVER Assoc. Company Plants: AMHERST, N.S. – Robb Engineering Wks., Ltd. • QUEBEC – Eastern Canada Steel & Iron Wks., Ltd. • SAULT STE. MARIE – Sault Structural Steel Co. Ltd. • WINNIPEG – Manitoba Bridge & Eng. Wks. Ltd. • CALGARY – Riverside Iron & Eng. Wks., Ltd. EDMONTON – Standard Iron & Eng. Wks., Ltd.

Dominion Bridge

Fast-Growing Trio

	Production in tons Wrapping paper	Book & writing paper	Tissue & sanitary papers
1946	175,369	189,318	56,717
1956	288,146	341,580	119,197
1957*	276,425	340,982	122,030
1956 ($000 value) ...	61,098	86,524	30,110

*Estimated by Canadian Pulp and Paper Association.

'Jeep' 4-Wheel drive gets bigger payloads where they mean BIGGER PROFITS

'Jeep' 4-Wheel drive needs no roads, travels through mud, snow, sand, water to get profit-making payloads right where they're wanted. And 'Jeep' carries a really *big* payload—from ¾ to 1½ tons—on a short wheel base that lets you operate in tight corners. 3-point power take-off and over 50 pieces of equipment help 'Jeep' make money for you 365 days a year. See the whole family of 'Jeep' 4-wheel drive vehicles at your dealer's now.

'JEEP' DISTRIBUTORS AND DEALERS OFFER COAST TO COAST SALES, PARTS AND SERVICE

DISTRIBUTORS

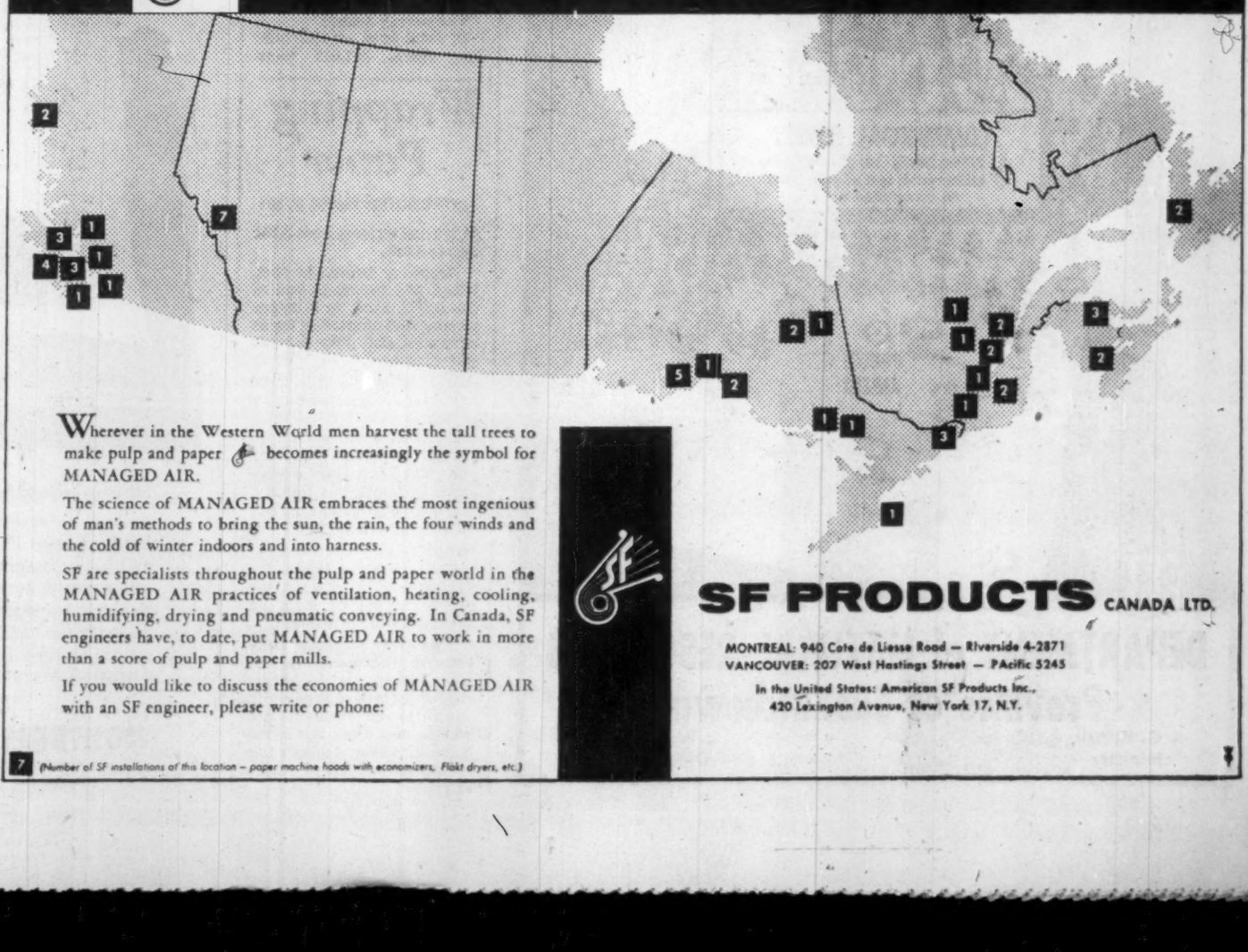
VANCOUVER, B.C., Sherwood Motors (1953) Ltd., 898 Burrard St.
CALGARY, Alta., Modern Motors Ltd., 1538 9th Avenue East
REGINA, Sask., Western Equipment Ltd., 1630 St. John St. (Also Saskatoon)
WINNIPEG, Man., Midwest Mining Supplies Limited, 860 King Edward Street
TORONTO, Ont., Willys Ontario Co., 2301 Queen Street East
MONTREAL, Que., Cooke Toledo Motors Ltd., 2124 St. Catherine St. West
QUEBEC, Que., Auto Moderne Ltée, 498 rue de la Couronne
FREDERICTON, N.B., Capital Garage Ltd., 355 Campbell Street
HALIFAX, N.S., Provincial Motors Ltd., 2 Queen Street
ST. JOHN'S, Nfld., Baird Motors Ltd., Merrymeeting Road

KAISER WILLYS OF CANADA LIMITED, WINDSOR, ONT.

: . . one of the growing KAISER industries

KW-6423A

An SF Geography of MANAGED AIR in Canada



Wherever in the Western World men harvest the tall trees to make pulp and paper becomes increasingly the symbol for MANAGED AIR.

The science of MANAGED AIR embraces the most ingenious of man's methods to bring the sun, the rain, the four winds and the cold of winter indoors and into harness.

SF are specialists throughout the pulp and paper world in the MANAGED AIR practices of ventilation, heating, cooling, humidifying, drying and pneumatic conveying. In Canada, SF engineers have, to date, put MANAGED AIR to work in more than a score of pulp and paper mills.

If you would like to discuss the economies of MANAGED AIR with an SF engineer, please write or phone:

7 (Number of SF installations at this location – paper machine hoods with economizers, Flakt dryers, etc.)

SF PRODUCTS CANADA LTD.

MONTREAL: 940 Cote de Liesse Road — Riverside 4-2871
VANCOUVER: 207 West Hastings Street — PAcific 5245

In the United States: American SF Products Inc., 420 Lexington Avenue, New York 17, N.Y.

THIS IS A passing art. Most pulpwood today is cut with power saws.

New Brunswick

Checking on Resources

New Brunswick is the most recent province to take stock of its forest resources and undertake fundamental decisions governing probable future development.

Three things:

- **A forest inventory** was completed this year.
- **A Royal Commission** on **forest development** reported last year.

Both these groups spent years at their tasks.

- **Already some changes have resulted** from this work.

In August alterations in Crown timberland regulations were announced.

Stumpage on products made from softwood trees was cut 20%. The mileage or rental charges was increased to 2c per 100 cu. ft. of softwood available to licensees.

New Brunswick sees these changes as being beneficial. It's hoped they will encourage maximum utilization and conservation.

Lands and Mines Minister Buchanan contended:

"The new schedule of fees will provide some incentive for timber licensees to dispose of forest products which they do not require for their own use by issuing cutting permits or by cutting products for sale.

(The higher rental charge might accomplish this.)

"Under the plan a licensee who is cutting up to or near capacity of the land to produce wood will benefit from a reduction in total charges." (Because of the lower stumpage.)

One reason for the changes: The forest inventory showed more softwood than previously estimated.

Earlier the royal commission had recommended that the government abandon its mileage-bonus-stumpage set-up and adopt a system of straight forest rental.

The government felt such a sweeping change might cause some hardships. But it has decreased the significance of stumpage in woodland economics and boosted the importance of rentals.

The flurry of investigation and change in New Brunswick is symptomatic of a changing government approach all across Canada to forest administration and development. It parallels a similar change among the private operators, as recorded elsewhere in this issue.

The once rather aimless exploitation of our forests is giving way to planned development based on full knowledge of resources and trends.

Forest inventories outline the resources and trends; royal commissions, or departmental investigations, discover the best pathway for development.

New Brunswick's is the most recently completed forest inventory.

The job lasted from 1951 to 1958. Its techniques are an interesting example of modern methods.

Aerial photos at around four inches to the mile were taken during 1951-55. These, with base maps produced from earlier photos, supplied the information for a two-stage sampling system.

The first stage:

An expert made a stereoscopic study of conditions at the centre points of each of 21,000 pictures.

Each was classified according to its character. These sample areas covered about 5% of the province. Thirty-six forest classifications were developed.

The second stage:

Ground sampling for timber volumes was undertaken. In each sampled stand, a strip at least one-tenth of a mile long and 0.4 acres in area was measured for apparent merchantable timber volume.

From all this extensive sampling, estimates for the whole province could be made.

Forest inventory men also made estimates of amounts of past tree-felling.

An evaluation of growth was reached by study of a pair of one-tenth acre sample plots in every second forest stand examined. These plots will periodically be remeasured in the future.

The survey found:

- **Of total area of 18.1 million acres, 387,000 were water, 621,000 wasteland, 1,480,000 occupied or cultivated,** 15.6 million forest land. Almost all the latter is productive. It is almost half-owned by the province, with 4.6 million acres in small holdings, 3.6 million in large freehold.
- **Estimated timber volume is 16,900 million cu. ft.** This is gross volume, with no deduction for interior defect.
- **Trees with breast-height diameters of 10 in. or more and those between six and nine inches each** make up a little more than 20% of volume. The rest are four and five inches in diameter.
- **Of total volume, spruce and fir account for just over 30% each.** Other softwoods total about 10% (including cedar, 4.1%).
- **The hardwood total of 29.2% divides 12.9% for maple, about 4% for each of yellow birch,** white birch, beech and poplar, 0.7% for others.

Comparison with the Morison estimates of 1938 suggests that the proportions of fir and maple have risen sharply, while those of yellow birch and white birch have dropped considerably.

"Without venturing into the realm of policy recommendation," the inventory says, "one is tempted to conclude.

"That the more accessible and more settled areas are being exploited at a nearly dangerous rate, and may be seriously depleted, unless great care is taken in the choice of cutting practices;

"That much of the less accessible and more mature forest is being exploited at a nearly satisfactory rate;

"That the greatest opportunity for . . . development lies in some fairly accessible and fairly mature forest and in a considerable area of relatively inaccessible forest rapidly approaching merchantability . . ."

In view of these remarks, the recommendations of the forest commission are of special interest.

As mentioned, a key suggestion was for a forest rental system. This would prevent the holding by licensees of more crown timber than needed, tend to discourage speculation and wasteful practices, this commission said.

The commission also suggested that timber licensees held largely for the purpose of supplying foreign mills be allowed to lapse when their normal terms expire in 1963; that no Crown licensee be permitted to export more than a certain proportion of his total cut from Crown lands; that hardwoods in pulpwood sizes be exempt from export penalties and quotas.

Industrial Giant

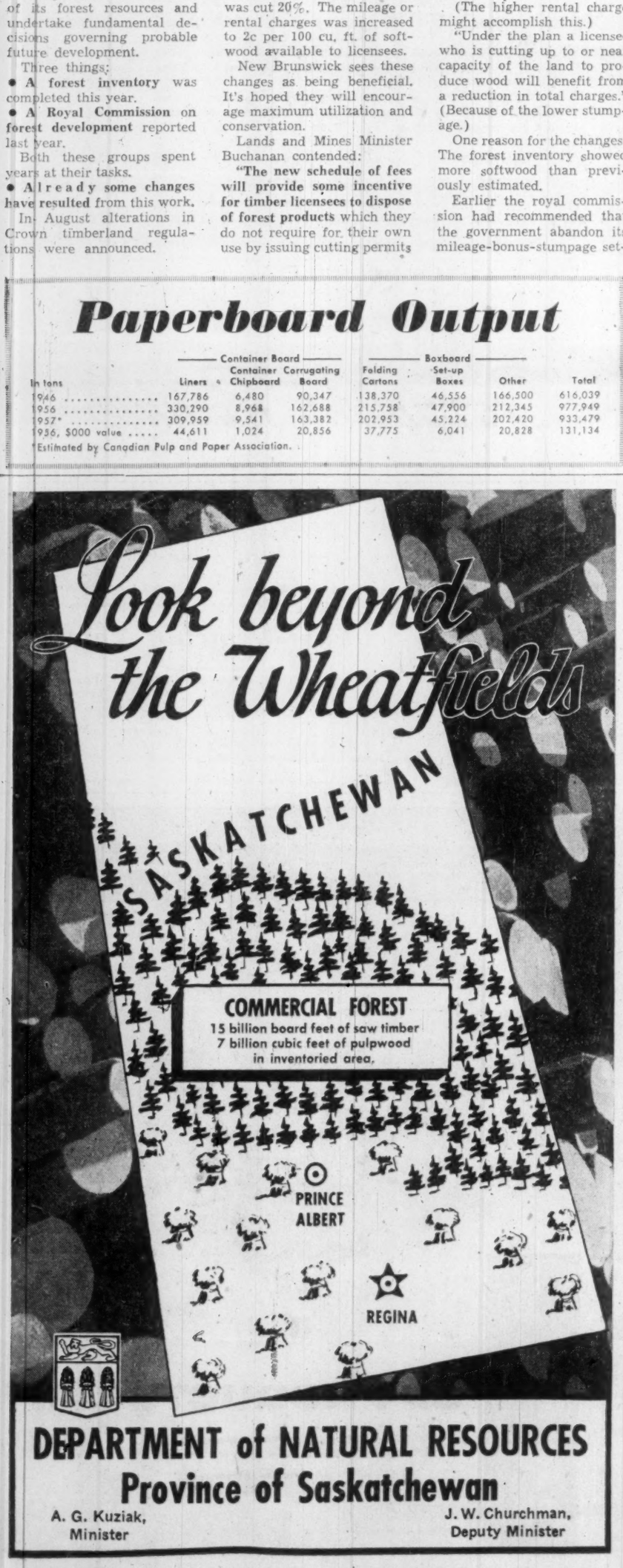
Here's how the pulp and paper industry has grown:

	Pulp and Paper Mills	Total Employees Excluding Woodlands	Gross Production $
1871	21	760	1,071,651
1881	41	1,588	2,509,993
1891	58	2,817	3,633,257
1901	53	6,236	8,627,577
1911	72	9,766	23,226,479
1921	100	24,619	151,003,165
1931	103	26,669	174,733,954
1941	106	37,154	334,726,175
1945	109	39,996	398,805,505
1946	113	44,967	527,814,916
1947	115	49,946	706,971,628
1948	117	51,924	825,857,664
1949	123	52,050	836,148,393
1950	123	52,343	954,137,651
1951	126	57,291	1,237,897,470
1952	128	57,803	1,157,887,657
1953	130	58,194	1,179,665,443
1954	130	60,837	1,241,558,451
1955	130	62,205	1,326,938,138
1956	130	65,985	1,465,057,726
1957 (est.)	130	65,500	1,450,000,000
1958 (est.)	130	63,000	1,300,000,000

Paperboard Output

In tons	Container Board: Liners	Container Board: Container Chipboard	Container Board: Corrugating Board	Boxboard: Folding Cartons	Boxboard: Set-up Boxes	Other	Total
1946	167,786	6,480	90,347	138,370	46,556	166,500	616,039
1956	330,290	8,968	162,688	215,758	47,900	212,345	977,949
1957*	309,959	9,541	163,382	202,953	45,224	202,420	933,479
1956, $000 value	44,611	1,024	20,856	37,775	6,041	20,828	131,134

*Estimated by Canadian Pulp and Paper Association.



Wrapping Paper

(CONTINUED FROM P. 59)

60,173 and exports from 3,159 tons to 5,373.

Wrapping paper, in fact, joined fine papers as one of the bright spots in a rather gloomy first quarter so far as newsprint and pulp demand was concerned.

It is made largely from kraft pulp, which produces a strong paper.

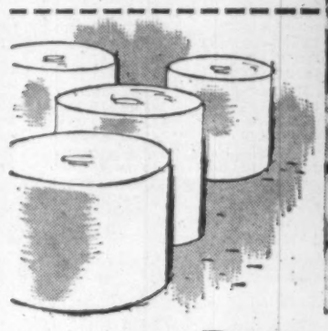
Its production history in Canada goes back about 150 years, but there was no large expansion until this century.

Our production in 1917 was 50,000 tons of which 22% was exported.

The total hit an impressive 112,000 tons in 1928 but the depression pushed it to an average 74,000 in 1930-34.

Since this is not a large industry compared with many others, it is handicapped by lack of funds with which to do research and pioneer new ideas. But as the domestic market expands this should become less of a handicap.

FORANO at work



in the Pulp and Paper Industry

In lumbering, mining, grain elevators and general industry as well, the name Forano constantly recurs. Wherever it is seen, you can be sure that engineering skill and imagination have been combined for optimum results.

These high capacity Forano belt conveyors powered by Forano drive units, carry sawdust (left) and chips and bark (right) at a leading Eastern Canadian pulp mill. This installation is typical of the many ways that Forano works in partnership with the industry to bring engineering skill and imagination to bear in solving a wide variety of technical problems.

FORANO Limited SINCE 1873
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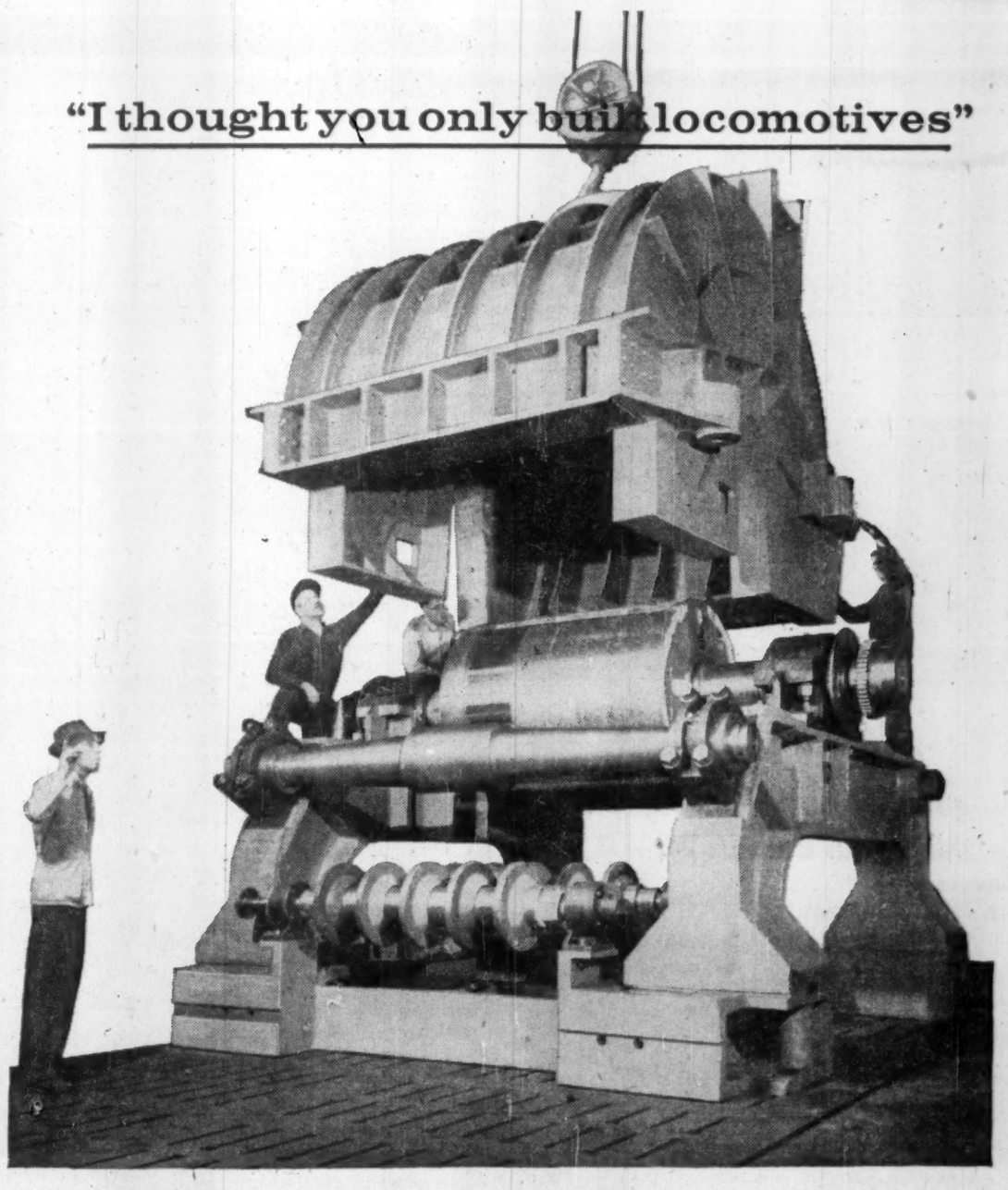
Engineering and Sales Offices: 7000 PARK AVE., MONTREAL, P.Q. / 69 EGLINTON AVE. E., TORONTO, ONT.

Catalogue available on request

"I thought you only built locomotives"



Some people think MLW builds only locomotives

And not unreasonably, for MLW *is* a leading builder of locomotives; has been since 1904. But in addition, the company builds equipment and heavy machinery for many industrial uses. This 62-ton reversing mill reel-furnace for the steel industry is an example.

Superbly equipped for the production of industrial products, the Company has the tools, know-how and capacity to quote competitively and deliver on time. It has been doing this for years, to the complete satisfaction of its customers. Can it do the same for you?

One of two steel mill reel-furnaces built by MLW for the hot strip mill of Dominion Foundries and Steel Company at Hamilton, Ontario.

Industrial Division

MONTREAL LOCOMOTIVE WORKS LIMITED

(Manufacturers of diesel locomotives, heat transfer equipment, steel mill equipment, welded steel pipe, pulp and paper machinery, general industrial equipment)

MLW

Canada's Pulp and Paper Mills

(CONTINUED FROM P. 53)

St. Raymond Paper Ltd.	Montreal	Chute Panet	Groundwood, newsprint
St. Raymond Paper Ltd.	Montreal	Desbiens	Unbleached sulphite (strong), unbleached sulphite (news grade), chemical screenings
Ste. Anne Paper Co.	Toronto	Beaupre	Groundwood, unbleached sulphite (news grade), newsprint
Sherbrooke Pulp & Paper Industries	Sherbrooke	Sherbrooke	Groundwood
F. F. Soucy Inc.	Chemin-du-lac	Chemin-du-lac	Groundwood
Thurso Pulp & Paper Co.	Thurso	Thurso	Bleached sulphate pulp
Westminster Paper Co.	New Westminster, B.C.	Crabtree Mills	Groundwood, groundwood printing and specialty papers, book papers, fine papers, misc. fine papers, sanitary papers, wrapping papers, paper products
J. C. Wilson Ltd.	Montreal	St-Jerome	Groundwood
J. C. Wilson Ltd.	Montreal	Lachute Mills	Sanitary papers, wrapping papers, paper products
Yamaska Mills Inc.	St.-Pie-de-Bagot	St.-Pie-de-Bagot	Groundwood, building boards

Ontario

Abitibi Power & Paper Co.	Toronto	Smooth Rock Falls	Bleached sulphite (paper pulp), chemical screenings
Abitibi Power & Paper Co.	Toronto	Fort William	Groundwood, unbleached sulphite (news grade), newsprint
Abitibi Power & Paper Co.	Toronto	Iroquois Falls	Groundwood, unbleached sulphite (news grade), newsprint, paperboards, paper products
Abitibi Power & Paper Co.	Toronto	Port Arthur	Groundwood, unbleached sulphite (news grade), newsprint
Abitibi Power & Paper Co.	Toronto	Sault Ste. Marie	Groundwood, unbleached sulphite (news grade), chemical screenings, newsprint, groundwood printing & specialty papers
Abitibi Power & Paper Co.	Toronto	Sturgeon Falls	Defibrated or exploded wood, semi-chemical, newsprint, paperboards, building boards, paper products
Acme Paper Products Co.	Toronto	Toronto	Wrapping papers, paperboards
Alliance Paper Mills, Ltd.	Merritton	Merritton	Bleached sulphite (paper pulp), unbleached sulphite (strong), chemical screenings, book paper, fine papers
Alliance Paper Mills, Ltd.	Merritton	Merritton	Miscellaneous fine papers, Tissue paper other than sanitary, special industrial papers, wrapping papers, paperboards
The Beaver Wood Fibre Co.	Thorold	Thorold	Groundwood, paperboards, paper products
Brantford Roofing Co.	Brantford	Thorold	Building papers
Canadian International Paper Co.	Montreal	Hawkesbury	Bleached sulphite (dissolving), bleached sulphite (paper pulp)
Canadian Johns-Manville	North Bay	North Bay	
Dominion Cellulose Ltd.	Toronto	Toronto	Sanitary papers
Don Valley Paper Co.	Toronto	Toronto	Groundwood printing & specialty papers, miscellaneous fine papers, special industrial papers, paperboards
Dryden Paper Co., Ltd.	Dryden	Dryden	Unbleached sulphate pulp, wrapping papers, building papers, paperboards, paper products
E. B. Eddy Co.	Hull	Ottawa	Groundwood, mechanical screenings, groundwood printing & specialty papers, book paper, fine papers, miscellaneous fine papers, tissue paper other than sanitary, special industrial papers, wrapping papers, paperboards
Gair Company Canada	Toronto	Campbellford	Groundwood
Gair Company Canada (Dominion Mill #1 Machine)	Toronto	Toronto	Paperboards
Gair Company Canada, Ltd. (Toronto Boxboard Mill Div.)	Toronto	Toronto	Paperboards
Gair Company Canada, Ltd. (Dominion Mill #2 Machine)	Toronto	Toronto	Paperboards
Garden City Paper Mills Co.	Merritton	Merritton	Fine papers, tissue other than sanitary, wrapping papers, paper products
Great Lakes Paper Co.	Fort William	Fort William	Groundwood, unbleached sulphite, (strong), unbleached sulphite (news grade), chemical screenings, newsprint
Hinde & Dauch Paper Co. of Canada	Toronto	Toronto	Paperboards
Hinde & Dauch Paper Co. of Canada	Toronto	Trenton	Paperboards
Howard Smith Paper Mills Ltd.	Montreal	Cornwall	Soda pulp, bleached sulphite (paper pulp), unbleached sulphite (strong), book paper, fibre papers, miscellaneous fine papers, special industrial papers, paperboards
Interlake Tissue Mills Co.	Toronto	Merritton	Groundwood, fine papers, tissue paper other than sanitary, sanitary papers, wrapping papers, paper products
Kimberley-Clark Pulp & Paper Co.	Toronto	Terrace Bay	Sulphate pulp, bleached
Kimberley-Clark Corp. of Canada Ltd.	Toronto	Kapuskasing	Sanitary papers
The KVP Co.	Espanola	Espanola	Groundwood, sulphate pulp bleached, semi-bleached sulphate pulp, unbleached sulphate pulp, chemical screenings, newsprint, groundwood printing & specialty papers, book paper, wrapping papers, paperboards, paper products
Marathon Corp. of Canada	Toronto	Marathon	Bleached sulphate pulp, unbleached sulphate pulp
Miller Brothers Co.	Trenton	Glen Miller	Paperboards
The Ontario-Minnesota Pulp & Paper Co.	Fort Frances	Fort Frances	Groundwood, mechanical screenings, newsprint, groundwood printing & specialty papers
The Ontario-Minnesota Pulp & Paper Co.	Fort Frances	Kenora	Groundwood, unbleached sulphite (news grade), newsprint
Ontario Paper Co.	Thorold	Thorold	Groundwood, unbleached sulphite (strong), unbleached sulphite (news grade), newsprint
Provincial Paper Ltd.	Toronto	Port Arthur	Groundwood, bleached sulphite (paper pulp), unbleached sulphite (strong), groundwood printing & specialty papers, book paper, fine papers, miscellaneous fine papers
Provincial Paper Ltd.	Toronto	Thorold	Newsprint, groundwood printing & specialty papers, book papers, fine papers, miscellaneous fine papers
St. Lawrence Corp. Ltd.	Montreal	Red Rock	Groundwood, unbleached sulphate pulp, semi-chemical, newsprint, paperboards
Sonoco Products Co. of Canada	Brantford	Brantford	Paperboards, paper products
Spruce Falls Power & Paper Co.	Toronto	Kapuskasing	Groundwood, unbleached sulphite (news grade), newsprint
Strathcona Paper Co.	Napanee	Napanee	Paperboards
Thorold Pulp Co.	Thorold	Thorold	Groundwood
Welland Pulp Products, Ltd.	Thorold	Thorold	Groundwood

Manitoba

COMPANY	HEAD OFFICE	MILL	PRODUCTS
Building Products Ltd.	Montreal	Winnipeg	Groundwood, defibrated or exploded wood, building papers, building boards
Fibreboard Mfg. Ltd.	Winnipeg	Winnipeg	Groundwood, building boards
Manitoba Paper Co.	Toronto	Pine Falls	Groundwood, unbleached sulphite (news grade), newsprint

Saskatchewan

Prairie Fibreboard Ltd.	Saskatoon	Saskatoon	Building boards

Alberta

Building Products Ltd.	Montreal	Clover Bar	Defibrated or exploded wood, building papers, paperboards
North Western Pulp & Power Ltd.	Calgary	Hinton	Bleached sulphate pulp

British Columbia

Alaska Pine & Cellulose Ltd.	Vancouver	Port Alice	Bleached sulphite (dissolving), bleached sulphite (paper pulp)
Alaska Pine & Cellulose Ltd.	Vancouver	Woodfibre	Bleached sulphite (dissolving), bleached sulphite (paper pulp)
B. C. Forest Products	Vancouver	Crofton	Bleached sulphate pulp
Canadian Forest Products Ltd.	Vancouver	Port Mellon	Semi-bleached sulphate pulp, unbleached sulphate pulp
Canadian Forest Products Ltd.	Vancouver	New Westminster	Defibrated or exploded wood, building boards
Columbia Cellulose Co.	Prince Rupert	Watson Island	Bleached sulphite (dissolving), bleached sulphite (paper pulp)
Crown Zellerbach Canada Ltd.	Vancouver	Ocean Falls	Groundwood, mechanical screenings, bleached sulphite (paper pulp) unbleached sulphite (news grade), semi-bleached sulphate pulp, unbleached sulphate pulp, chemical screenings, newsprint, groundwood printing and specialty papers, tissue paper other than sanitary, sanitary papers, wrapping papers, paperboards, paper products

(Continued on page 63)

Change In Wood Sounds

The woods are becoming increasingly mechanized.

- **Because of today's** relatively high labor costs.
- **Because of great** advances in technology.
- **Because of the need** for larger quantities of wood; and for better conservation practices.

Machines for yarding, limbing, debarking, slashing and tree-length logging are seen. And, of course, in skidding, loading and hauling, men and horses are fast losing to tractors, mechanical loaders and trucks.

Aircraft are used in forest spraying, bulldozers for scarifying seed beds. In artificial regeneration, machine planters are often used.

The increased ability of machines to harvest the forest makes conservation practices more necessary than ever.

The Ontario Department of Lands and Forests explains that, once, the sheer weight and size of the forest often protected it from unwise cutting. Now large machines have greatly reduced this protective feature.

For example:

There is a new tree crusher ($190,000 in the U. S.) which can flatten four acres an hour. It weighs 140 tons, is powered by a 600-hp diesel, with a 1,000-gal. fuel tank.

This 75-ft.-long mammoth pulls twin 49-ft. rollers each with 300 teeth.

Another awesome forest monster is a 24-ton timber harvester which travels the cutting strip, grabs a tree, saws it, carries it to the pile, limbs it, cuts it up ready for hauling. It will handle two cords per hour, cutting trees up to 95 ft. high and 22 in. in diameter.

Searching For Other Fibres

Wood is the almost universal raw material for pulp—but research on other fibres is continuous.

Primary reason for the search for other fibre sources lies in wood supply.

In many areas, often those where demand is high, wood is not plentiful. Parts of Europe, for instance, appear to be expanding markets for imported pulp.

Much-discussed is the use of **bagasse**, sugar cane by-product. It's about two-thirds fibre. It's a question how much of this is really available, since huge quantities are used as fuel.

It does not appear likely to make a big impression, being confined to certain local operations, especially in Latin America.

Cotton is a good papermaking fibre.

But it isn't economical to produce cotton for large-scale use for pulp.

Bamboo is used quite extensively for pulp in India. It's fast-growing, good-yielding, makes a good-strength pulp. It is somewhat more expensive than softwood except in the case of wasteland bamboo growth.

Glass fibres are resistant to heat and other deteriorating influences. But a problem is the development of fibre-to-fibre bonding. High cost is another bar to widespread use.

However some experts suggest that use of glass fibre in big volume, combined with hoped-for technological advance, could cut cost substantially.

Synthetic fibres also offer a bonding problem, where the normal papermaking techniques are used. But there has been much advance in developing bonding techniques and agents.

At the moment, synthetics appear too high-priced for anything but specialty uses.

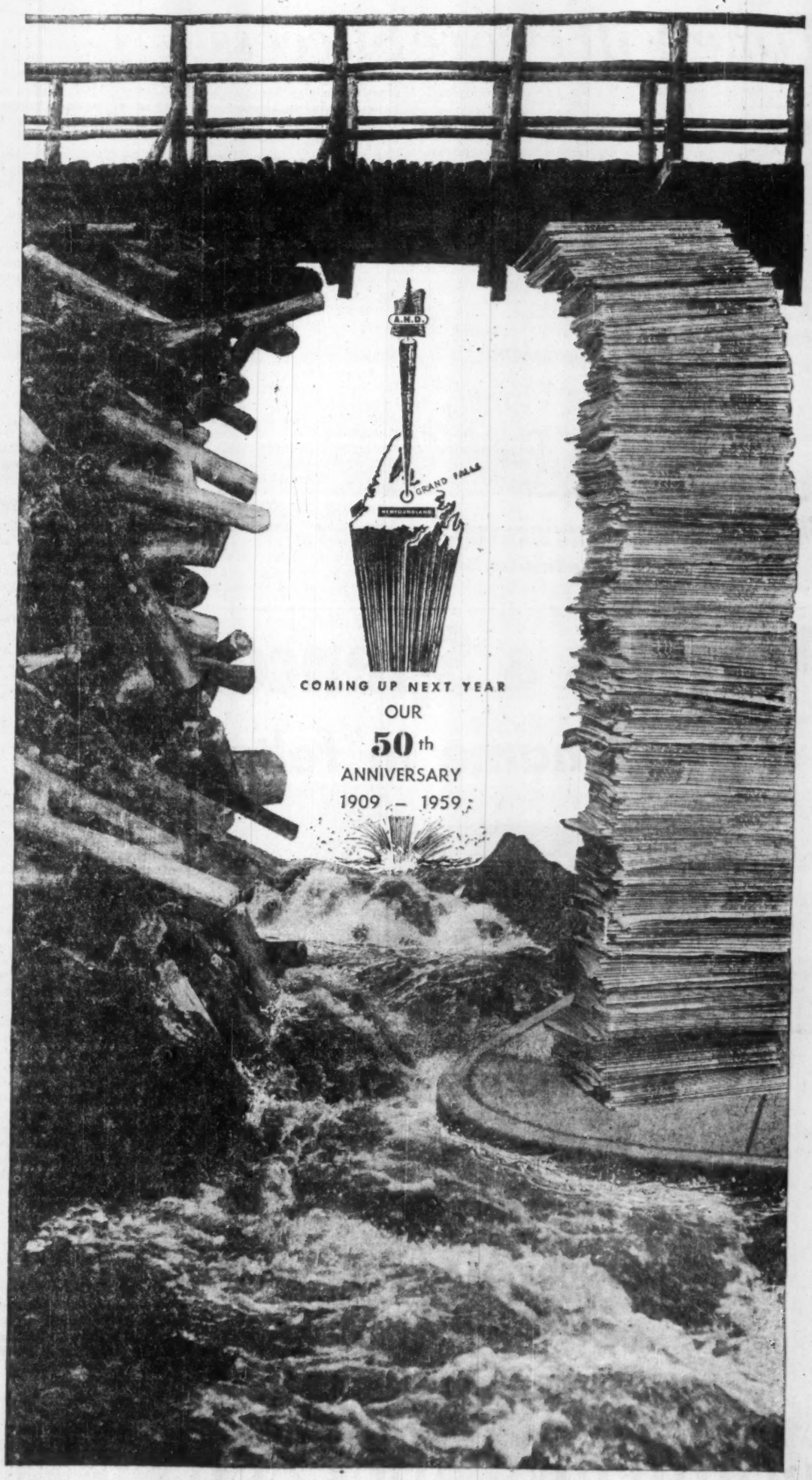
Much publicity has been given to **straw** pulp, particularly rice straw.

Straw produces a pulp quite suitable for blending with softwood pulps but not directly competitive. Cost seems too high for big use.

Conclusion: Wood pulp still dominates the field, will continue to do so in the foreseeable future.

THE BRIDGE OF KNOWLEDGE

Is being forged every day across the earth through newspapers printed on newsprint from the Forest Woodpiles, and A.N.D's proud contribution to this world of knowledge is 800 tons of quality paper every 24 hours.



ANGLO-NEWFOUNDLAND DEVELOPMENT COMPANY, LTD.

THE PIONEER NEWSPRINT MILL IN NEWFOUNDLAND

GRAND FALLS • • • • • NEWFOUNDLAND

THE BUDWORM PLAYS havoc with Eastern Canada's forests. Already $12 million has been spent on spraying since 1952.

Budworm Blitz

Time Will Prove Success

At the end of June, some 100 pilots climbed from a variety of work-weary planes on 10 New Brunswick and five Quebec airfields.

They had just completed what looks like the final stage of the Budworm Blitz.

The result: Defeat for the destructive little insects that promised to play havoc with Eastern Canadian forests.

The battle had been waged with increasing intensity since 1952. Since then $12 million has been spent on spraying operations. Two pilots have lost their lives.

Now it seems it will not be necessary to spray the New Brunswick or Gaspé peninsula forests next year. The 1959 spraying program calls for only limited local spraying and experimental spraying.

On completion of the operation, B. W. Flieger, manager of **Forest Protection Ltd.**—the co-operative group which carries out the spraying on behalf of the New Brunswick Government and the forest industries with federal financial support—said that 1958 spraying covered over 2.5 million acres.

"Generally speaking," said Flieger, "the areas which have been sprayed since 1952, extending to about six million acres, look good—as a matter of fact, a whole lot better than anyone really expected."

Flieger stated the forest is bearing out indications of last autumn **which pointed to a good year for the woods—and a poor one for the insects.**

Discussing prospects for 1959, he pointed out that it has never been possible to make a definite forecast except in those years when there was so much work ahead that spraying was clearly indicated for the following spring.

"From the present indications," he added, "it would appear the current outbreak either could have a resurgence or suffer a complete collapse.

"In either case, it is highly doubtful from present insect population levels, that any considerable amount of spraying would be necessary in the six million acre area being protected."

This situation is not the result of spraying alone, but spraying prevented damage to the trees until two consecutive adverse summers came along to discourage the budworm.

"This, combined with spraying, has brought about a spectacular drop in the insect population," Flieger reported.

"We have been looking for signs of weakness in this insect outbreak for a long time now at last it has happened."

Actually the budworms may not yet be quite finished. They have proven to be long-lived enemies.

A close watch will be kept next spring for first signs of survivors on any scale. The planes will be ready to go back into action if needed.

If the full-scale blitz is now over it marks the conclusion of one of the most colorful chapters in recent Canadian flying history.

Forest Protection Ltd. has annually contracted out to **Wheeler Airlines** of St. Jovite to provide the men and planes for the job.

Whenever possible Canadian crews were used, but inevitably the bulk of the work was flown by U. S. professional spray pilots using their own planes — usually war-surplus biplane trainers.

They made a colorful addition to the local scene every summer. Faces tanned from hours in open cockpits, silk scarves and leather flying jackets all combined to make the pilots into perfect copies of Hollywood-type airmen.

These men know their business. They are migratory, moving about North and South America in search of spraying targets. A full flying month usually earns them $1,200 to $1,500.

Now, it is felt, any further spraying will be on a reduced basis and will be flown by Canadian crews and planes.

A high point this year was the introduction of a dozen ex-Navy Avenger torpedo-bombers. These bulky machines carried vast quantities of the deadly DDT. They proved, officials report, highly effective.

If this is the end of the battle, not only will forest industries be happy. So will fishermen.

Although every effort was made to avoid spraying open water, plenty of DDT fell in streams and ponds where young fish succumbed quickly to the poison.

They were inevitable side-casualties of the war. One New Brunswick forestry official summed it up for **FP**: "It takes 50 years for a forest to return to full productivity after a budworm epidemic. **It takes a year to restock a stream. I am afraid the fish had to be sacrificed."**

New Machine Cost 5 Million

From Our Own Correspondent

PORT ALBERNI—A modern newsprint machine such as in MacMillan & Bloedel's vast operation here is an enormous thing.

A company statistician with a naval bent of mind has compared the firm's latest monster to the sleek HMCS St. Laurent, Canada's finest destroyer escort on which the new Canadian navy is being modelled.

The machine is about the same length as the warship: 320 ft. compared to 325 ft. Like a warship, much of it is below the water line.

The St. Laurent cost $8 million; the machine $5 million. The machine is 44 ft. wide; the warship 36 ft.

The ship displaces 1,700 tons; the machine weighs 2,500 tons.

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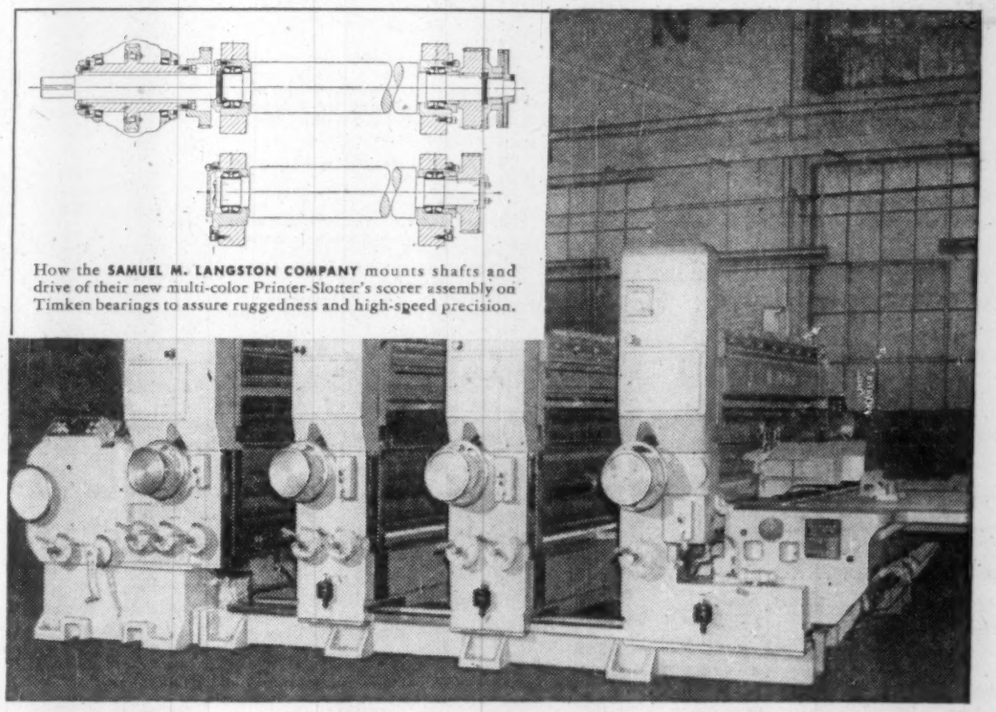

How the SAMUEL M. LANGSTON COMPANY mounts shafts and drive of their new multi-color Printer-Slotter's scorer assembly on Timken bearings to assure ruggedness and high-speed precision.

No end play, no backlash—Langston printer-slotter gives lasting precision with Timken bearings

THE Samuel M. Langston Company designed this new *Multi-Color Printer-Slotter* to print, slot and score corrugated paperboard at high speeds. It is built for maximum precision with minimum maintenance and downtime. Langston uses 76 Timken tapered roller bearings to insure both ruggedness and precision. These Timken bearings stop end play by holding shafts and feed rolls rigid, take the heavy shock loads. And the adjustable Timken bearings on the drive help eliminate backlash. Here's how:

SHAFTS HELD RIGID. Their tapered design lets Timken bearings take radial *and* thrust loads in any combination. No end play to adversely affect accurate register, printing, slotting and scoring. Timken bearings hold shafts concentric with their housings, making seals more effective in keeping lubricant in—dirt out.

HEAVY SHOCKS ABSORBED. Both rollers and races are case-carburized to give Timken bearings hard, wear-resistant surfaces over tough, shock-resistant cores. Full-line contact between rollers and races gives load-carrying capacity to spare.

Timken bearings are geometrically designed to roll true, precision-made from our own Timken fine alloy, electric furnace steel to live up to their design. They practically eliminate friction, run smoother, last longer.

Why not get all these advantages for machines you buy or build? To make sure you do, specify bearings trade-marked "TIMKEN". The Timken Roller Bearing Company, Canton 6, Ohio, U.S.A. **CANADIAN PLANT:** St. Thomas, Ontario. Cable address: "TIMROSCO".

This symbol on a product means its bearings are the best.

TIMKEN Made in CANADA
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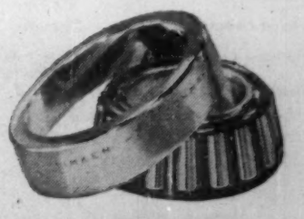
TAPERED ROLLER BEARINGS



Design No. 16,850—B B D O Cl 7-979—Financial Post (Canadian), September 20, 1958

Demand For Pulp

Must Be Assured of Markets

You have to look sharp these days to turn a reasonable profit on market pulp.

This is also likely to be true in the immediate future.

Industry executives aren't optimistic about the establishment of pulp mills unless:

- **They have a considerable "captive" market—that is, an assured** long-term demand from a parent company, subsidiary or associated firm.
- **Or they are especially low-cost, probably** part of a closely integrated woods operation.

This doesn't mean there is pessimism about growth in demand for pulp in general and market pulp in particular. Considerable expansion is certain, although its timing is presently much in doubt.

But it reflects the feeling that, except for special cases, most money is to be made from output of the products which are made from pulp.

This opinion leads to a desire for an integrated operation in which the maker of end products produces his own pulp.

Upon this drive toward integration depends the extent of future demand for market pulp.

Market pulp can be a volatile item. In times of good demand it will contribute more than proportionately to profit. In times of slack demand it drags down the profit figure.

This is true simply because semi-integrated producers, in times of slack demand, will normally prefer to reduce their purchases of pulp rather than their own pulp production.

Thus a 5% drop in paper and board sales generally can mean a considerably greater decline in market pulp demand.

Canadian pulp has been going through a period much like that just described.

Total pulp output fell from more than 10.5 million tons in 1956 to 10.2 million last year, will be down again this year.

(See Pulp Section for reports on individual producers.)

Figures for the first seven months of 1958 show the following pulp output figures:

	Tons 000	Compared with last year
Dissolving, special alpha	167	—28%
Bleached sulphite (paper grades)	320	—7%
Unbleached sulphite	924	—13%
Bleached sulphate (paper grades)	614	+21%
Unbleached sulphate	468	—3%
Other chemical	135	—5%
Total chemical	2,629	—5%
Mechanical (groundwood)	3,052	—8%
TOTAL ALL PULP	5,682	—7%

Also in the seven months:

- **Chemical pulp used in Canada was down from** 1.6 million tons last year to 1.5 million this.
- **Mechanical pulp used here was down** from 3.2 million to 2.9 million.
- **Exports of chemical pulp were down** from 1.2 million to 1.1 million.
- **Exports of mechanical, a small item, were off** from 129,000 to 119,000.

A study finished this year for the Gordon Commission on Canada's Economic Prospects indicates that demand on Canadian mills for market pulp will hit five million tons by 1980. This is more than double the total of recent years.

The study accepts Canadian Pulp and Paper Association estimates of the 1980 market.

These put U. S. demand for market pulp from Canada at 3.7 million tons in 1980, or three quarters of the total. Recently the U. S. has been taking almost 80% of our market pulp.

Shipments outside Canada and the U. S. are expected to reach 1.2 million tons by 1980. Now: Well under 500,000 yearly.

Thus there will be a relative rise in the importance of non-U. S. markets. Not quite so many of our eggs will be in one basket.

However, the small change will still leave us heavily dependent on U. S. demand. No one foresees such a large swing to other markets that this will change.

If growth takes place as expected in the industry generally, total Canadian pulp production by 1980 will top 20 million tons. This roughly doubles the present rate of production.

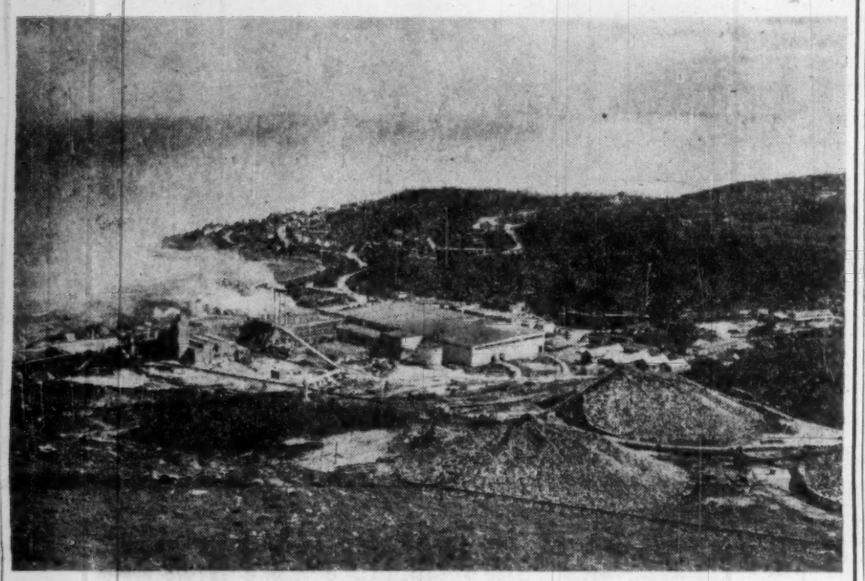
This is a continuation of a decades-old growth trend.

Pulp production was about four million tons in 1929.

Canada's Pulp and Paper Mills

(CONTINUED FROM P. 61)

Elk Falls Co.	Campbell River	Campbell River	Groundwood, mechanical screenings, unbleached sulphate pulp, newsprint
MacMillan & Bloedel Ltd.	Vancouver	Port Alberni	Unbleached sulphate pulp
MacMillan & Bloedel Ltd.	Vancouver	Nanaimo	Bleached sulphate pulp, semi-bleached sulphate pulp
Powell River Co.	Vancouver	Powell River	Groundwood, mechanical screenings, unbleached sulphite (strong), unbleached sulphite (news grade), chemical screenings, newsprint, paperboards, paper products
Sidney Roofing & Paper Co.	Victoria	Victoria	Groundwood, wrapping papers, building papers, paperboards
Westminster Paper Co.	New Westminster	New Westminster	Groundwood, tissue paper other than sanitary, sanitary papers, wrapping papers, paper products



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FOREST OPERATIONS AT HERON BAY AND MANITOULIN ISLAND, ONTARIO, AND BAIE COMEAU, FRANQUELIN AND SHELTER BAY, QUEBEC.

THOROLD MILL

Three B.C. 'Divers' In the Log Business

Every British Columbia mill has its log-pond, the area where the "sticks" are stored until they are fed into the grinders to make newsprint.

An economic headache for any mill manager is the number of "sticks" that become water-logged and sink. Also, there is a high loss of peaveys, boom chains and sledges.

Three young men of Nanaimo make up to $50 each a weekend sa[illegible]ing logs and equipment from the bottom of MacMillan & Bloedel log ponds.

Laurie McCracken, his brother Alex and Ron Stafford don their weekly skin-diving equipment and go hunting for "sinkers." They have salvaged as many as 140 in a single day.

Their record on an equipment hunt in a 2½-hr. stint was 25 boom chains, five peavies and three sledges.

"Worth every cent we pay them," commented a pond boss.

They don't think the work is dangerous, although occasionally the undersea creatures become annoying. Then the frogmen surface, pick up a spear gun and finish off a 30 lb. or 40 lb. cod who has become too curious.

"We sell them to the Chinese restaurants. More money in the bank," they say.

The Main Causes Of Fires

While lightning and human carelessness are the main causes of forest fires, woodland blazes can result from a great variety of causes.

Probably the most unusual of all, Ontario fire fighters recall, was a fire set off by unslaked lime, dynamite and an overturned truck.

In the spring of 1952 a truck carrying 400 bags of lime and 300 cases of dynamite overturned on the road in the Red Lake district of Ontario. Part of the lime cargo spilled on wet ground and started to smoulder.

The truck's driver, fortunately, recognized the danger and notified forest rangers.

Fire crews were rushed to the scene and a spotting aircraft called in.

Some two hours after the accident the smouldering lime touched off the dynamite. The resulting explosion showered burning debris over the forest on both sides of the road.

In all, 90 acres of woodland were burned before the blaze was brought under control.

The loss, woodlands experts say, would have been far greater had not fire crews and equipment been on the scene quickly.

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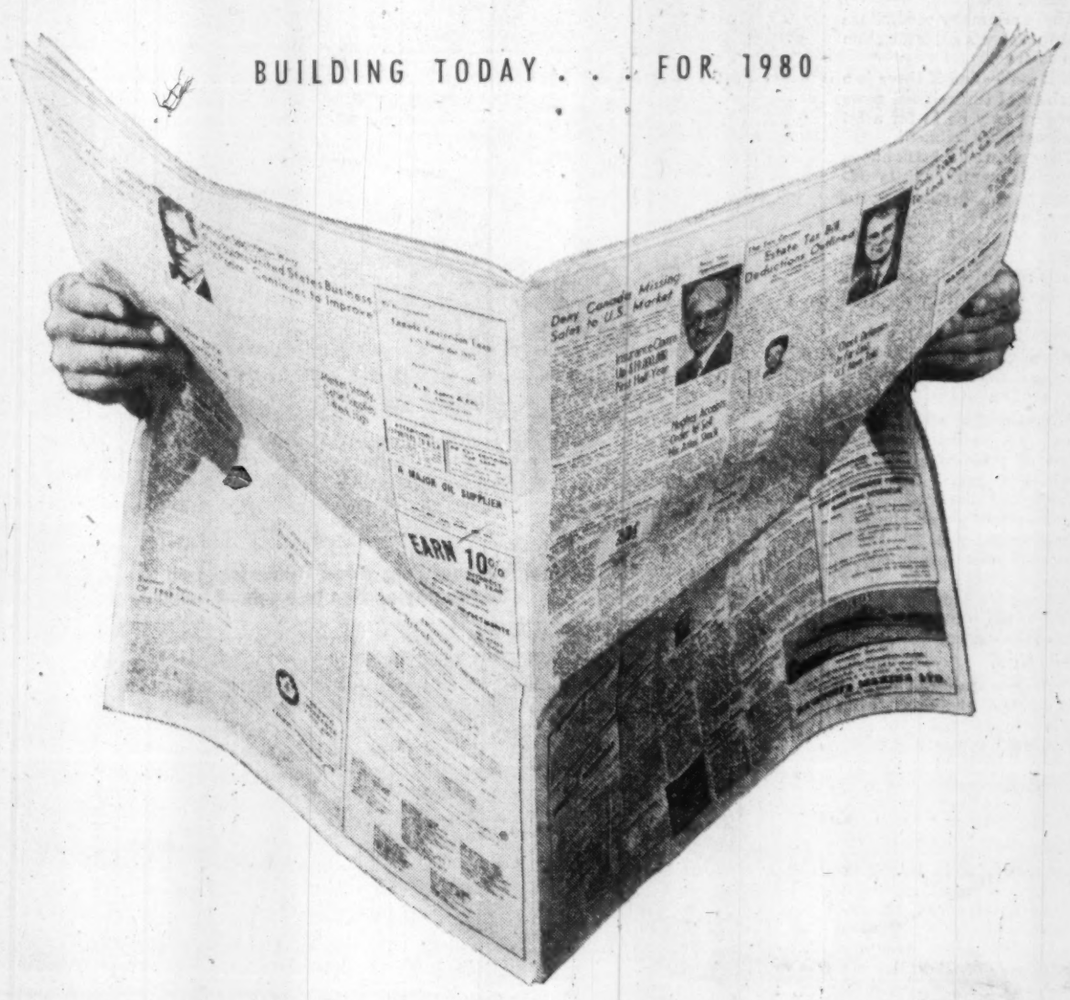

Let's get the facts on paper!

(They're important to every Canadian)

Did you know that one twentieth of Canada's civilian labour force is employed in the forest products industry . . . that Canada produces fully one half of the world's supply of newsprint? These are facts from the Gordon Report. Future demand is expected to double Canada's newsprint production by 1980. Inglis build paper-making machines for newsprint, kraft and other types of paper. English Electric makes the highly specialized paper machine drives on which the whole process depends. Some of the brightest minds and best equipped plants in the world are at your service when you deal with Inglis.

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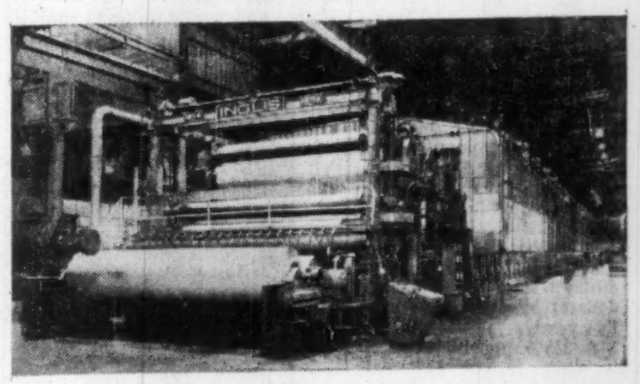
2 **Improved Steam Joints and Revolving Siphons** give positive removal of condensate from dryer cylinders, leading to more economical operation.

3 **Constant pressure reel builds better rolls.** Features are — Rugged construction — a minimum of moving parts — semi-automatic operation — constant pressure.



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Earnings Picture

What About Paper Stocks?

A year ago, market pundits were saying that the drop in paper stock prices had already discounted future bad news.

Now they're saying the recent rise in papers has discounted future good news.

Events showed that last year's generalization was largely true. There was plenty of bad news to come. Stock prices shrank some more, but without any sign of panic.

There are many predictions that this year's generalization also is true.

If it isn't—and if there is a shortage of future good news—papers may be in for a fat downward adjustment.

They showed a brisk buoyancy this summer, little deterred by an 18-month profit downslide.

The Montreal Stock Exchange index of 10 paper stocks recently climbed over 420 compared with its 1958 low of 332.3.

The recent figure represents a gain of about 26% from the low and 8% from a year earlier.

It means that stock prices have far outdistanced, in terms of price-earnings, the profit this year. It's quite possible the present price of an "average" paper stock is between 15 and 20 times eventual 1958 profit-per-share.

There are a number of reasons for this obvious optimism about papers:

Short-run:

There are scattered signs to indicate that the profit drop is flattening; and that the downtrend for pulp and paper products is, too. (But there is little solid evidence yet of a real upturn either in sales or profits.)

Long-run:

Other stories in this issue tell of the almost universal opinion that the next quarter-century will see big growth for the Canadian industry. Predictions of increases in demand range from 40% to over 100%, depending upon the product.

There is also general confidence in the competitive ability of the Canadian industry, which is the world's most important exporter.

Basic health:

Although sales were knocked on the head and earnings injured, virtually all companies continue to show a profit. Working capital positions generally are sound, funded debt not excessive.

Management says that operating and administrative economies are being found; and it seems likely that the future holds additional efficiency-boosting techniques.

There has been a good-sized scattering of dividend reductions; but no overwhelming trend.

Of fundamental importance to an industry 70% dependent upon exports is the U. S.-Canadian exchange rate.

Most production is paid for in terms of U. S. dollars. When the premium on the Canadian dollar is high, the industry is, in effect, accepting a lower price for its exports.

It has been estimated that a 5% premium cuts the industry's sales (in Canadian dollars) by almost $50 million yearly.

A 2½% premium (which is closer to recent levels) dents sales by about $25 million.

On an industry-wide basis these don't seem like large figures. But they come off the top of the income cake—when the premium rises, profits fall sharply; when it falls, they rise (allowing for variations in income tax.) You can't adjust costs to changes in the exchange rate, so exchange losses come out of profits.

The recent slimming of the Canadian dollar premium therefore helps Canadian exporters. But some observers expect the premium to rise again.

The accompanying table shows the earnings downtrend, as it extended through the first half of this year.

The percentage declines look remarkably similar to those in the first half of 1957 as compared with corresponding 1956.

A table in the Pulp and Paper Supplement of **FP** a year ago included all the companies mentioned here, except **Crown Zellerbach**. It showed drops in first half—'57 profits ranging from 11% to 45%.

The range this year: 4½% to 33%.

Thus profits in first half '58 compared with those in first half '56 for this representative group are down an average of about 35%-40%.

There have been some signs of improvement — both in the second quarter and the third. They don't add up to recovery of lost profit so much as a leveling out of the drop.

Bathurst profits, for example, were $420,000 in the second quarter, down moderately from $490,000 in corresponding 1957. But first quarter's profit was only $173,000 ($352,000 the year before).

St. Lawrence Corp. profit was off from $1.6 million to $1 million in first quarter; from $2 million to $1.6 million in the second.

Consolidated Paper second-quarter profit was up from $3.84 million last year to $3.86 million this.

Here's What Companies Earned

	Net Profit 1957 $	Net Profit 1st half 1957 $	Net Profit 1st half 1958 $	Net Profit % change 1st half '58/'57	Earnings per share All 1957 $	Earnings per share 1st half 1957 $	Earnings per share 1st half 1958 $	Recent Share Price $	Recent price—earnings ratio Possible 1957	Recent price—earnings ratio Possible 1958§
Abitibi	12,502,283	6,583,235	4,437,557	—33	2.86	1.51	1.00	32⅝	11.4	16.3
Bathurst	1,543,172	841,858	592,808	—29½	1.03†	.61†	.27†	22†	21.4	40.7
Consol. Paper	12,686,892	6,920,146	6,446,506	—7	2.47	1.35	1.25	37¼	15.1	14.9
Crn. Z. Can.	5,940,558	3,503,110	2,571,722*	—26½	.78	.46	.34	21½‡	27.6	31.6
Donahue	872,720	438,801	418,462	—4½	1.45	.73	.70	15	10.3	10.7
Fraser, Cos.	5,298,524	2,542,394	2,016,484	—20½	2.38	1.14	.90	29¼	12.3	16.3
Great Lakes	2,072,423	1,133,463	839,699	—26	1.63	.89	.65	34½	21.2	26.5
Powell River	7,762,377	4,294,362	2,914,693*	—32	1.85	1.02	.69	35½	19.2	25.7
St. Lawrence	7,801,920	3,555,093	2,632,807	—26	1.58	.71	.51	16¼	10.3	25.9

*Affected by west coast strike Nov. 14, 1957, to Feb. 4, 1958.
†Class B.
‡Class A.
§Possible 1958 earnings are simply a doubling of first half earnings.

Mills Change To Gas Heat

Three Lakehead mills of **Abitibi Power and Paper Co.** have been converted to natural gas, as a main heat source.

Mills involved: Thunder Bay and **Provincial Paper**, both at Port Arthur; Mission at Fort William.

Under contract terms combined gas consumption could go as high as 7.7 million cu. ft. daily.

This 34-foot Fruehauf Pulp Wood Trailer takes on a 35-ton payload on two sets of bunks.

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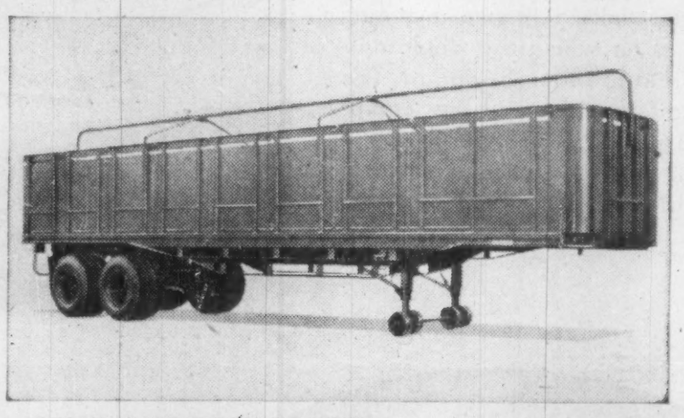
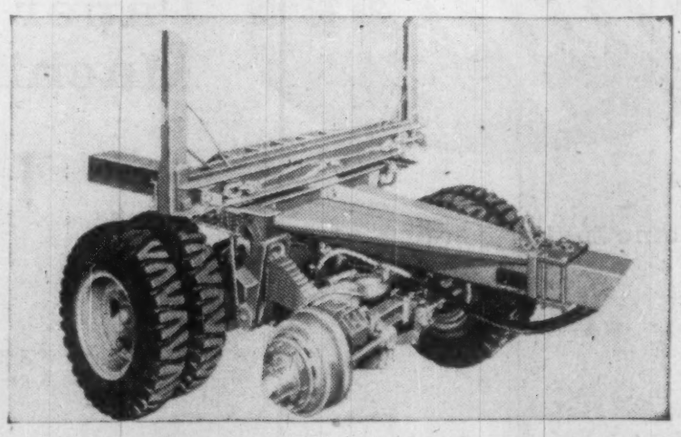


STAKE AND RACK TRAILERS—come in lengths from 17 to 35 feet, in single or tandem axles.



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The Financial Post

Vol. LII | Publication Office: Toronto, September 20, 1958 | No. 38

Big Potential in West Even Prairies Benefit

From Our Own Correspondent

EDMONTON — A new era in industrial development for Alberta has been sparked to a major degree by the pulp and paper industry.

More than $85 million is represented by present and projected plant investment in pulp and newsprint mills.

A provincial government royal commission which completed an exhaustive study of northern regions of Alberta this year estimated reserves of 333 million cu. ft. of pulpwood.

The commission forecast that the cut of timber in northern Alberta will increase for about 10 years and then maintain a constant level.

Expansion of the province's infant pulpwood industry would make for diversification and greater stability in the forest industry.

It is expected pulp mills will be built in the Slave Lake region by 1965, in the Grande Prairie area by 1970, in the Manning area, north of the Peace River, by 1975 and in the vicinity of Fort McMurray by 1980.

Alberta hit the pulp production realm with a splash in June, 1957, when **North Western Pulp and Power Ltd.**, started production at its $42 million pulp mill, 180 miles west of Edmonton. This was regarded as a significant milestone in Alberta's industrial progress.

North Western Pulp and Power is owned jointly by **North Canadian Oils Ltd.**, Calgary, and the **St. Regis Paper Co.**, New York, which has a string of mills across the U. S.

In addition to $42 million for the mill, North Western is estimated to have invested an additional $18 million in woodlands operations, utilities, road construction and fire prevention equipment.

As a result of the plant being established there, the population of the town of Hinton has increased from 200 to 3,500 persons. There are 600 employed at the plant.

Annual payroll of the plant is $2.5 million of which $2 million is for plant staff and $500,000 for woodlands workers.

The value of the pulp shipments exceeds $25 million a year. Purchases by the mill average $13 million a year, including wood, chemicals, freight, etc. The total includes $1.8 million paid to pulpwood contractors cutting on the company's lease and $500,000 paid for pulpwood supplied by private berth holders and settlers. This is estimated at more than 20,000 cords a year.

Six thousand sq. miles, an area almost as large as the state of Massachusetts, has been set aside by the provincial government for the plant's timber supply area.

During the winter season, the wood stockpile is built up to 300,000 cords to sustain the mill on a year-round basis. The main wood supplies are lodgepole pine and white spruce; both northern hardwoods which produce extremely fine fibres.

The Hinton mill which has a production capacity of 430 tons a day, produces Alberta High-Brite, a top quality bleached kraft pulp for which there is an increasing demand in a great number of grades of paper-making. This pulp can be made into paper and paperboard. It is in demand for packaging.

The second major development in Alberta's pulp industry was the announcement by **Alberta West Forest Products Corp.** on May 22 last, that it has signed an agreement with the provincial government for construction of a $15 million pulp and newsprint mill near Edmonton. Inclusive of woodland facilities at White Court, 110 miles northwest of Edmonton, the company's total investment is estimated at $25 million.

The company has taken options on a number of sites between Edmonton and Fort Saskatchewan, a town 15 miles east of Edmonton, and plans to make an early announcement on the final location. It talks about plant construction this fall.

The company's agreement with the provincial government gives it a 21-year lease on 2,483 sq. miles of timber in the White Court area. In addition, a 2,500-mile timber tract in the same area will be set aside for the next 10 years as a reserve for future expansion. Total involved is 3.3 million acres of timberland.

The pact provides that the company must start construction within one year and complete the program within three years. The capacity of the mill shall be 300 tons a a day.

Gordon McNab, of Edmonton, president of the company, said **it is the firm's intention to supply newsprint to the prairie provinces and export surplus production to the central and midwestern states.**

The mill and woodlands operation will provide employment directly for 1,300 men and, indirectly, for many more, according to company officials.

Of flexible design, the mill will be equipped to produce other paper products. The addition of a separate kraft pulp mill is receiving serious study, said Mr. McNab.

The species of wood and the cordage per acre in the White Court area have proved to be exceptional and are considered to be ideally suited for the company's plans for production of newsprint and other paper products, said company spokesmen. Preliminary engineering designs and blueprints, prepared by **Johnson & Johnson**, Chicago engineers and architects, have been completed for the newsprint mill.

The company says a survey it commissioned shows over 26 billion ft. of merchantable timber located between Lesser Slave Lake on the north and the Athabasca River on the south and east. Of these forests 70% were found to be prime high-yield conifer and 30% hardwood that were ideally suited to sustaining an annual cut of some 500 million cu. ft. of pulpwood and other timber products.

The yield per acre of these lands was considered to be better than 30 cords. There are extensive areas of spruce, lodgepole pine and poplar which would be used at the new plant.

Other new industries are springing up in Alberta to provide further utilization of its forest resources. Just 40 miles west of Edmonton, a new fibreboard manufacturing plant has been established at a cost of between $400,000 and $500,000. It will use poplar, which is abundant in the region, and also some spruce.

Three plywood plants also have been established, with a gross value of production amounting to about $3,350,000. Two of these are located at Edmonton and the third at Grande Prairie, in northern Alberta. In 1957, these plants employed 350 persons.

There is an increased demand for poplar for plywood manufacture, as a fourth plywood plant is projected.

The present annual cutting drain on Alberta forests, including the supplies for the Hinton pulp mill, is about 130 million cu. ft. of timber.

The Alberta government, according to a survey prepared for **Calgary Power Ltd.**, has estimated the annual maximum sustainable cutting drain on its forests as approximately 400 million cu. ft. for the softwoods and 415 million cu. ft. for the hardwoods, a total of 815 million cu. ft.

The demand for wood is estimated on the basis of forecast growth of the wood-using industries. Wood used in sawmills, sash, door and planing mills plywood and veneer mills, etc., and for fuel is placed at 100 million cu. ft. a year at present, increasing to 180 million cu. ft. by 1975.

Wood used for pulp and paper is estimated at 130 million cu. ft. in 1958, increasing to 300 million cu. ft. by 1975.

The Calgary Power survey says the **economics of the pulp mill at Hinton point to outstanding opportunities in this field.** The construction of additional pulp or newsprint mills, each with an annual sales figure of $20 million, has been predicted for the period through 1975.

New Newsprint Machines in 1958

Company	Machine	Annual Capacity
IN CANADA		
Abitibi	#3 at Fort William	*100,000 tons
Elk Falls	#2 at Campbell River, B.C.	50,000 tons
Great Lakes	#4 at Fort Williams	110,000 tons
MacMillan & Bloedel	#2 at Port Alberni, B.C.	100,000 tons
Donohue Brothers	#3 at Clermont, Que.	30,000 tons
*100,000 tons added to capacity of Fort William mill through addition of #3 machine and improvements to other machines.		
IN U.S.		
Coosa River	#3 at Coosa Pines, Ala.	(a) 135,000 tons
International	#1 at Pine Bluff, Ark.	130,000 tons
St. Croix	at Woodlands, Maine	(b) 45,000 tons
Southland (c)	#4 at Lufkin, Texas	90,000 tons
Bowater's Southern (c)	#4 at Calhoun, Tenn.	100,000 tons

(a) add 135,000 tons to capacity of mill through addition of #3 machine and improvements to other machines.
(b) add 45,000 tons to capacity of mill through addition of new machine and retirement of other equipment.
(c) machines not yet in operation but scheduled for 1958 completion.

EVERY B. C. MILL has its log pond, where the "sticks" are stored until being fed into the grinders.

Future Looks Bright in B.C. $300 Million Plan Pays Off

From Our Own Correspondent

VANCOUVER — Nowhere in the world has there been so much expansion of pulp and paper capacity as in British Columbia in the past 10 years.

This program has cost more than $300 million, resulted in the opening of several new mills and expansion of existing ones.

The long-term picture for this B. C. industry is considered bright even though most companies are currently reporting profit reductions.

This year the B. C. industry is adjusting itself to temporary oversupply, lower prices for some grades and rising production costs.

It is facing stiff competition from mills in Oregon and Washington State for the rich Pacific Coast market.

But the B. C. industry still holds advantages in that most of its equipment is as modern as any in the world; mills are situated at tidewater with ready access to deep sea shipping; timber is of high quality.

The pulpwood supply is abundant and being carefully regulated under long-term forest management plans. There is also a large and cheap supply of hydro power.

On the debit side, the cost of harvesting timber in B. C. is high and climbing higher. Wages in competing countries, with the exception of the U. S., are lower.

In addition foreign markets are many thousands of miles distant.

Further, some overseas markets for B. C. pulp and paper are developing their own mills and raising tariff walls against foreign sellers.

Another recent blow, this one internal, was the long strike last year in nine coastal mills. The strike cost the company and the union an estimated $60 million in revenues and wages.

The industry has had its ups and downs since the first paper mill was built at Port Alberni in 1894. It turned out a few tons a day from old rags, and closed two years later.

It's ironic that the mill's equipment was unable to handle the timber which surrounded it and that today the same general site is the location for the major unit of **MacMillan & Bloedel's** vast empire.

It is impossible to be casual about the industry's giant strides and its contribution to B. C.'s economy.

More than 1,500 million tons of pulp and paper are now being produced annually in B. C. The range of products includes newsprint, sulphite pulp, alpha and dissolving pulps, tissue and special grade paper, paperboard, felts, box board and market ground board.

Value of pulp and paper plants and equipment is placed at more than $430 million. Annual payroll is more than $55 million. Working force is 8,600 with another 3,000 employed in the logging and transport divisions.

The U. S. buys about 52% of production. Canada takes about 28%. The remainder goes to the U. K. and a host of other countries.

The **Powell River Co.**, up-coast from Vancouver, went into production in 1912.

Crown Zellerbach, a U. S. giant, has moved into a prominent position since the war. It built the **Elk Falls** mill at Campbell River, destined to become one of the coast's largest integrated operations.

MacMillan & Bloedel completed an $83 million expansion in July of this year at Port Alberni. The pulp capacity has been doubled, newsprint machines have been installed and provision made for coarse paper and board production.

This project is believed to be the biggest single expansion program ever undertaken by any company in Canada.

B. C. Forest Products has recently completed the province's newest bleached pulp mill at Crofton on Vancouver Island at a cost of $40 million.

Celgar Ltd., a subsidiary of **Canadian Chemical & Cellulose**, has begun preliminary work on a long-term scheme to erect a $30-million pulp mill at Castlegar in the interior.

Sidney Roofing & Paper Co. has just moved into a mill in Burnaby, adjacent to Vancouver, vacating its operations in Victoria in order to be closer to source of material and to save on transport costs.

There is long-run optimism.

But there is also concern with the immediate future and Ralph M. Shaw, president of MacMillan & Bloedel, spoke for all industry leaders when he recently told his employees:

"Faced as we are with difficult market conditions we must be careful not to lose our sense of perspective."

"The industry, including lumber, plywood, pulp and paper, has had many prosperous years. They have been years of expanding markets and increasing production, in a buoyant economy.

"Business has now slowed down, and competition has become sharper. It is something M & B people must meet and deal with to the best of their ability as members of one of the leading organizations in the industry.

"We can do this by increasing our efficiency, eliminating waste of every description, every one of us making his contribution as best he can to the continued progress of the company that represents our livelihood."

$83 Million New B.C. Mill In Production

MacMillan & Bloedel's $83 million pulp and paper expansion at Port Alberni, B.C., is now completed with production of the first reel of paper from the second newsprint machine.

The first machine came into production in August last year.

The mill, which originally made unbleached sulphate pulp only, now has four machines turning out unbleached and semibleached pulps, kraft paper and board, as well as newsprint.

The Alberni operations of the company—lumber, plywood, shingles, pulp, kraft paper and newsprint—have become one of the most highly integrated wood-industry areas on the continent, utilizing all the wood in the log for the end product to which it is best suited.

The old-fashioned wood waste-burners will rarely, if ever, be used in future at Port Alberni.

The Prairies' First Pulp & Paper Province Firms Up Its Position

From Our Own Correspondent

WINNIPEG—The economic forces which in 1957 held down volume of the pulp and paper industry in Manitoba have continued in varying degree in 1958, this year with more visible results.

At the year's end it is likely gross production will be lower than last year, chiefly because of drop in output of the **Manitoba Paper Co.** at Pine Falls.

The most recent accurate gross production figures of the pulp and paper industry in the province—at least the ones available — are for the calendar year 1955, when the total was $15.9 million. The 1956 production was a small margin more and that for 1957 a shade above 1956.

Of the three paper producing operations in the province biggest is Manitoba Paper Co. whose output is exclusively newsprint. The company is a subsidiary of **Abitibi Power and Paper Co.** The parent company and its subsidiaries were affected by factors which restricted its showing in 1957. Decline in demand for newsprint, higher costs of production because of wage increases —and higher freight rates, and the rate of discount on U. S. funds which the parent company reported had averaged 4.12% in 1957 compared with 1.59% in 1956. The exchange position may be slightly more favorable in 1958 but it affects Manitoba Paper which exports about 85% of its output to the mid-West United States.

This market slackened in 1957 because of decline in advertising space requirements of newspapers, some being unable to use the full quota of their contract tonnage. This situation has continued this year although brightened by some improvement which the industry regards a hopeful sign that newsprint demand will soon restore normal operation of production facilities.

In mid-1955 Manitoba Paper started a program for increase of capacity and stepping up efficiency.

Undertaking improvements costing $6 million the company rebuilt or replaced its paper machines, added a new one and, by September, 1956, had facilities for turning out 500 tons of newsprint per day, twice as much as its capacity when it turned out its first production in 1927.

These increased facilities were one reason why Manitoba gross production in 1957 was a little better than 1956 even in face of adverse conditions previously mentioned which in that year hampered the industry.

On requirements for 1958 the company found itself over-expanded **but expects that before long its production capacity will be needed for normal operation.** In 1957 it operated for several five-day weeks. For the first time it operated on a number of four-day weeks in 1958. Up to Sept. 1 its total production was slightly more than 11% down from the same period in 1957, 71,800 tons for the first eight months this year compared to 80,000 tons for the same time last year.

The figure probably reflects with fair accuracy the comparative position of the industry this year. Outside Manitoba Paper there are two other paper producing operations in Manitoba.

Building Products Ltd. with head office in Montreal but long established in Winnipeg, turns out building paper, insulating board and other types of specialty paper.

Fibreboard Manufacturing Ltd., a six-year-old family company producing insulating board for various purposes which will report a gross output of about 20.6 million ft. for year ended Sept. 30.

Compared with Manitoba Paper they are small producers but their businesses have shown big increases over 1956. Both are planning expansion. Building Products is preparing for extension along the pattern of its Alberta operation at Edmonton. Fibreboard Manufacturing, which is enlarging its Winnipeg operation, is building a new plant at Wabamun, Alberta, 44 miles west of Edmonton, for a possible capacity double that of its present Winnipeg business.

The bulk of the pulpwood cut goes to Manitoba Paper. The cut of 356,742 cords for the year ended March 31, 1957, was 62% higher than for the previous year and 10% more than the all-time high for 1951-52.

Stockpiling at the mills had been reduced to a dangerously low level by poor logging conditions of the previous winter but more favorable ones in the 1956-57 season restored them to normal and they have kept at this level by the cut of 1957-58. Manitoba Paper when operating all its machines uses about 520 cords a day.

The company's expansion, completed in September, 1956, has been the last major one for the industry in this province. For future expansion the brightest prospects are northern Manitoba, a field which the last three years has been attracting investment sources of eastern Canada, the U. S. and U. K.

The area north of the 53rd parallel has the forest resources for a major pulp and paper operation, which the province's Department of Industry and Commerce has estimated, perhaps optimistically, could support a single project with a newsprint capacity of 1,000 tons a day, or two separate ones of 500 tons a day each.

Perhaps the smaller figure is nearer to what would be feasible if one were established. The territory has between 25 million and 28 million acres of productive and potentially productive forest land. Nearly all of it is Crown land administered by the Manitoba Forest Service.

The best stands are along the Nelson River and in the Lake Sipiwesk and Cross Lake regions.

In addition to forest resources to permit expansion of the industry the north has power resources, some now being developed by construction of a $40-million Kelsey hydro plant on the Nelson River. This is to supply the **International Nickel Co.** development at Moak and Mystery Lakes. It is scheduled to deliver its first power in 1960 and the installations can be expanded to serve other industries and a pulp and paper project is most likely.

The North also has the basis of transportation facilities with the **Hudson Bay Railway**, the line to Flin Flon and the recently built line of the **Canadian National Railways** to Lynn Lake.

The North has no competitive transportation. It has no development or commodity rates.

This is the major need. The quoted rates for newsprint from a point near the Kelsey hydro plant would virtually exclude shipment to Canadian markets. Rates to U. S. destinations are less onerous but the fact is that development of Nelson River forest resources is handicapped because of the freight rate structure that now applies to the North.

This is one of the problems for the new Roblin government and for that matter for the Conservative administration at Ottawa. It it were solved, and it is likely big efforts will be made to give a better break in freight rates, the North might have a new pulp and paper mill within three or four years.

THESE LOGS ARE being loaded for transport to the new kraft pulp mill of North Western Pulp & Power at Hinton, Alberta.

Canada: World Newsprint Giant

Country	Average 1935-1939	1955	1956	1957	1958
	Production Figures				
Canada	3,336,786	6,190,647	6,468,815	6,400,000	6,100,000
U. S.	907,804	1,552,294	1,717,243	1,825,000	1,800,000
Mexico	0	0	0	0	20,000
Argentina	0	16,000	20,000	13,000	13,000
Brazil	4,000	33,000	44,000	45,000	55,000
Chile	4,350	12,500	13,000	28,000	51,000
Peru	0	neg	neg	neg	neg
Britain	961,800	694,158	719,958	740,000	750,000
Ireland	0	500	750	4,000	7,000
Finland	436,125	589,825	656,900	730,000	850,000
Norway	205,500	183,415	206,402	200,000	230,000
Sweden	299,015	399,364	457,232	480,000	560,000
Austria	70,550	137,122	177,513	150,000	150,000
Belgium	51,820	58,000	63,406	105,000	125,000
France	397,000	355,000	315,000	313,000	375,000
German Republic	216,000	270,951	312,648	298,000	285,000
Netherlands	99,285	117,000	125,000	155,000	160,000
Portugal	2,000	5,000	18,000	22,000	22,000
Switzerland	34,500	64,223	70,000	73,000	77,000
Greece	0	0	1,000	1,000	1,000
Italy	74,500	158,250	207,000	225,000	245,000
Spain	27,600	44,000	44,000	44,000	44,000
Turkey	0	8,600	10,000	10,000	10,000
Yugoslavia	0	5,500	21,548	22,000	22,000
Israel	0	3,300	4,540	5,000	5,000
India	0	2,870	12,087	20,000	23,000
Japan	406,200	507,042	571,824	633,000	690,000
Republic of Korea	In. Japan	7,637	8,372	9,000	18,000
Taiwan (Formosa)	In. Japan	10,545	4,807	9,000	13,000
Australia	0	85,210	88,335	89,000	90,000
New Zealand	0	2,700	39,635	67,000	74,000
Sub-Total	7,534,835	11,514,653	12,399,015	12,715,000	12,865,000
Communist Bloc	609,000	1,100,000	1,150,000	1,200,000	1,250,000
World Totals	8,143,835	12,614,653	13,549,015	13,915,000	14,115,000

1957-'58 estimated.
Neg. — Negligible.

The Maritimes

A Trump Card to Play

The Atlantic Provinces—often fearful of losing shipping and industry to Central Canada—have a trump card to play.

Pulp and paper growth is assured in the provinces by the sea.

General business conditions and their effects upon the demand for newsprint, pulp, paperboard and allied products naturally will govern the expansion timetable.

But there is no question of the trend.

Main reason, of course, is that there are suitable timber resources, relatively easy to reach.

Add to this the fact that most forest areas in the Atlantic Provinces are quite close to tidewater. This keeps transport costs down, since much of Canada's production goes to the U. S. or overseas.

In brief the province-by-province picture looks like this:

Newfoundland:

Two large operators—**Bowater's Newfoundland Pulp & Paper Mills Ltd.** and **Anglo-Newfoundland Development Co.** — already are present.

They may be joined by a third.

Under agreement with the provincial government **Crown Zellerbach Corp.** is carrying out a two-year feasibility study. It began last spring.

Under legislation passed this year an additional two years is allowed in which CZ may establish a newsprint mill turning out at least 200 tons daily.

In a further period, CZ could expand the mill to at least 400 tons daily.

CZ also has been thinking in terms of a 500-ton-daily pulp mill within the next 12 years. In a further five-year period this might grow to 1,000 tons a day and, 10 years later, to 2,000 tons.

Possible sites for the big mills are on Bay d'Espoir, Fortune Bay or Placentia Bay.

Decision hinges on the CZ survey.

Wood supply for the mills would be under 99-year renewable government lease on lands in Southeastern Labrador and Eastern and Southeastern Newfoundland.

The mill development plan at maximum capacity would require 1.3 million cords of wood a year. It might employ 9,000, pay wages and salaries of $30,000,000 yearly.

There have been vague rumors of a fourth mill, but it's likely that this will have to await CZ's decision on whether a third one (of the size eventually contemplated) is feasible.

Nova Scotia:

The province has two pulp mills, two pulp and paper mills.

A $40 million pulp mill is proposed in Eastern Nova Scotia by **Nova Scotia Pulp Ltd.** backed by Sweden's **Stora Kopparberg.**

Hope is that a construction start can be made next year on this mill, to produce more than 300 tons of high-grade bleached pulp daily. Possible completion: 1961.

New Brunswick:

The province has four pulp mills, three pulp and paper mills and considerable growth in prospect.

Irving Pulp and Paper Ltd. is building an 85,000-ton kraft pulp mill at Lancaster for 1960 completion. **(Kimberly-Clark** now owns 35% interest in the Irving company. This makes available to K-C 75,000 tons of bleached sulphite pulp from a mill already in existence; as well as the bleached kraft pulp from the new mill.)

Irving and other interests are proposing also to build a paper mill at Lancaster. It might cost $7 million.

In the rumor stage is a "very large" new pulp and paper operation, for which engineering studies are said to have been done. But there are no details yet.

These are the new projects. But mills already in existence continue to expand or increase efficiency.

For instance, **Bathurst Power & Paper Co.** is increasing high quality boxboard capacity by 25,000 tons yearly. This is at Bathurst, N.B. Production from the addition is expected in early 1959.

Among other projects in the Atlantic provinces: A variety of efficiency-boosting measures at **Bowater's, Fraser Companies'** New Brunswick mills, **Mersey Paper Co.** in Nova Scotia. **Anglo-Newfoundland** has completed extensive changes and additions.

Even without further growth, pulp and paper is already an important support for Canada's Atlantic-side economy.

Here are figures for 1956, last year for which complete details are available:

NEWFOUNDLAND
Employees 3,400
Salaries, wages ..... $16.4 million
Selling value, factory shipments ..... $68.1 million
Value added by manufacture $35.4 million

NOVA SCOTIA
Employees 1,200
Salaries, wages ..... $4.7 million
Selling value, factory shipments ..... $22 million
Value added by manufacture . $12 million

NEW BRUNSWICK
Employees 4,300
Salaries, wages ..... $18.6 million
Selling value, factory shipments ..... $101.4 million
Value added by manufacture $45.7 million

Recent estimated pulpwood production has been around 900,000 cords annually in Newfoundland; two million in New Brunswick; 350,000 in Nova Scotia; 40,000 in Prince Edward Island.

Singer Means New Mill

In Thurso, Que., the name Singer doesn't mean sewing machines — it means jobs and pay envelopes from a spanking new 200-tons-daily pulp mill.

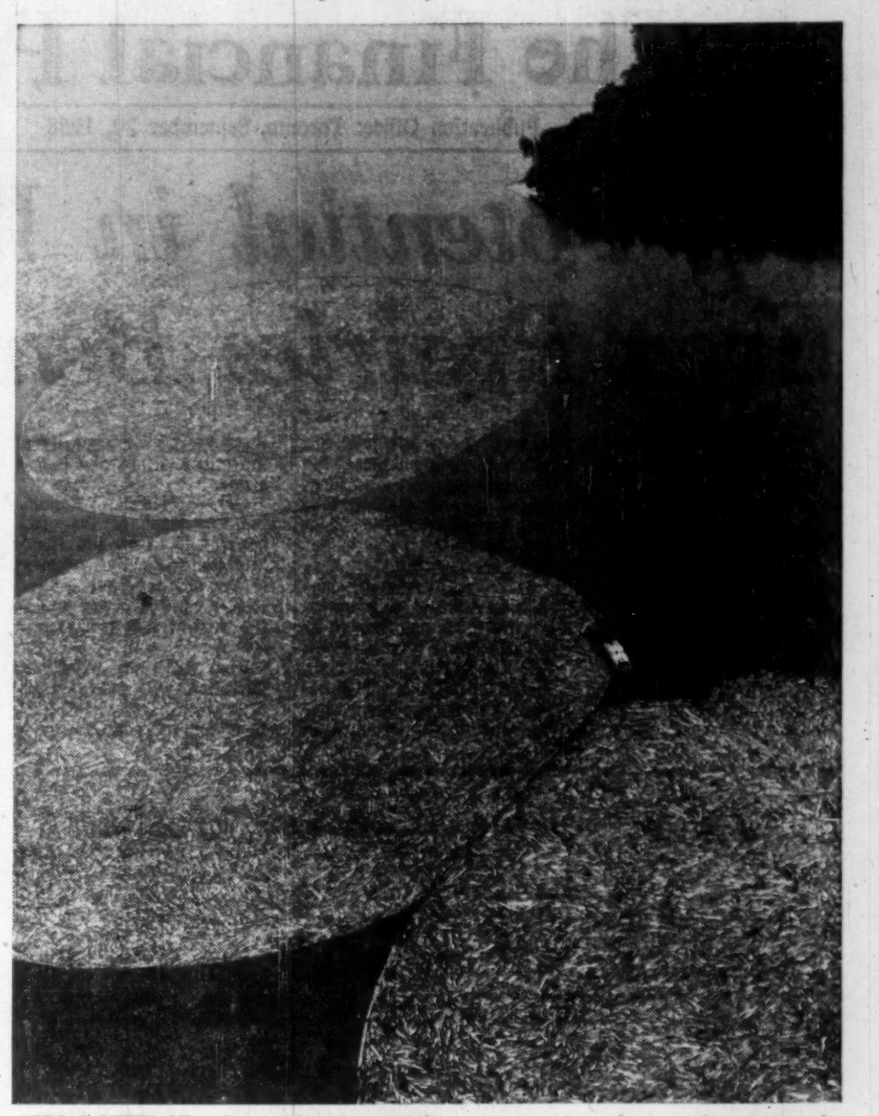
The **Singer Manufacturing Co.** — best known in most towns for its sewing equipment — is 70% owner of **Thurso Pulp & Paper Co.**

Its new mill, between Ottawa and Montreal, started production last spring. Its product: High brightness kraft pulp, by continuous bleaching and a multi-stage chlorine dioxide system.

The 30% owner is **Perkins-Goodwin Co.** of New York, exclusive sales agent for the mill's quality product.

How does a sewing machine-maker end up in the pulp business? By an entirely logical chain of events. This **is a striking example of the forces leading to industrial integration. It happened this way:**

Singer needs sewing machine cabinets. It decides to make them.



AERIAL VIEW OF pulpwood logs boomed for towing across calm stretches during the spring drive.

So it needs lumber and veneer. It acquires timber limits in Quebec, sets up sawmill and woodworking operations.

But its wood needs are highly selective. Much wood is left in the bush. And, of course, there is inevitable waste from the sawmill and woodworking.

The best way to make full use of 500,000 acres of limits adjacent to Thurso: Build a pulp mill. Singer did.

As a result it has one of the most completely integrated woods utilization setups in Canada.

Now the mill gulps 400 cords of wood a day and six tons of lime, lubricated by 18 million gallons of water.

The $19 million mill — two years building — is the logical end-product of Singer's 32 years of experience and operation in the region. The company-owned **Thurso & Nation Valley Railroad** probes the bush for 56 miles as an aid to wood-harvesting.

In addition to pulp production equipment, Thurso has machinery to recover large quantities of heat and chemicals for re-use. These include an evaporator recovery unit, precipitator, lime-kiln and a causticizing system.

Without these, Singer says, the mill could not operate at a profit.

The decision-making process leading to mill construction began in 1954 when Singer started investigations of capital and operating costs of a 200-ton mill.

The findings were favorable.

The next worry was markets. Singer knew little of the often complex business of selling pulp and it decided upon disposing of output through an already established sales firm.

This was Perkins-Goodwin,

(Continued on page 67)

C-I-L POLYTHENE transforms multi-wall bags into moisture-barriers to protect your products.

At right is a kraft multi-wall bag made by St. Regis Paper Company (Canada) Ltd. It's coated inside and out with a thin layer of C-I-L Polythene which excludes moisture—the fertilizer inside never hardens or cakes. The bag itself won't tear or rot when exposed to rain or even a complete winter. C-I-L Polythene can be laminated to other films, foils and papers to produce strong, tear-resistant containers for products ranging from foods to fish hooks.

Large quantities of C-I-L Polythene resin go to manufacturers each year for conversion into other important products — construction and packaging film, pipe, insulation for wire and cables, housewares and toys. *Demand is growing so rapidly that the C-I-L Polythene plant at Edmonton is now being enlarged to* double *its present output.* The authoritative journal "Plastics Sphere" keeps you informed on the latest developments in plastics — 15,000 of your fellow businessmen read it regularly. To get on the mailing list, write: Canadian Industries Limited, Plastics Division, P.O. Box 10, Montreal.

Suppliers of polythene, "Perspex" acrylic sheet, "Darvic" rigid vinyl sheet, "Mouldrite" urea moulding compounds, "Corvic" p.v.c. resin and "Flovic" vinyl acetate foil.

C-I-L PLASTICS

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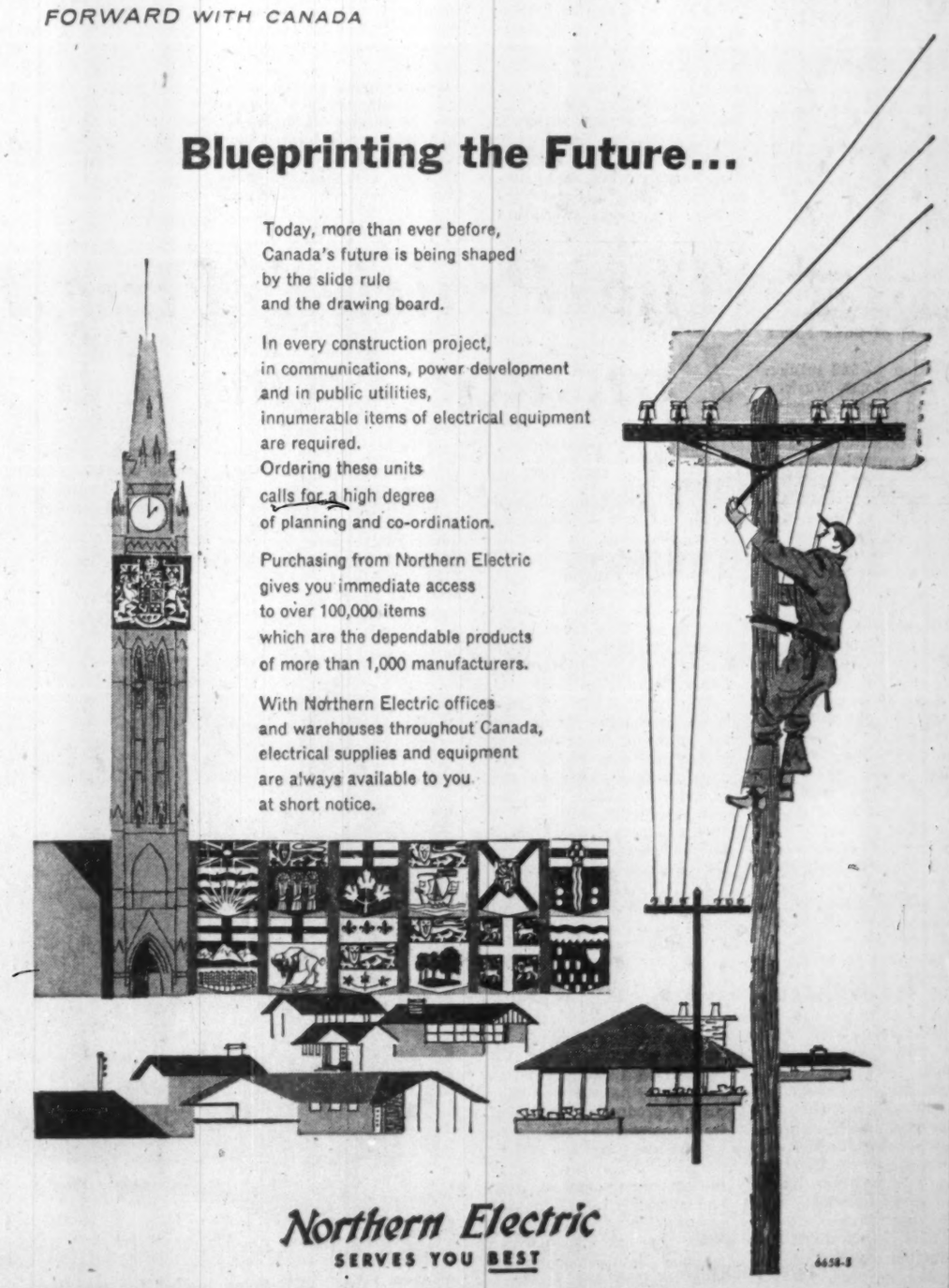

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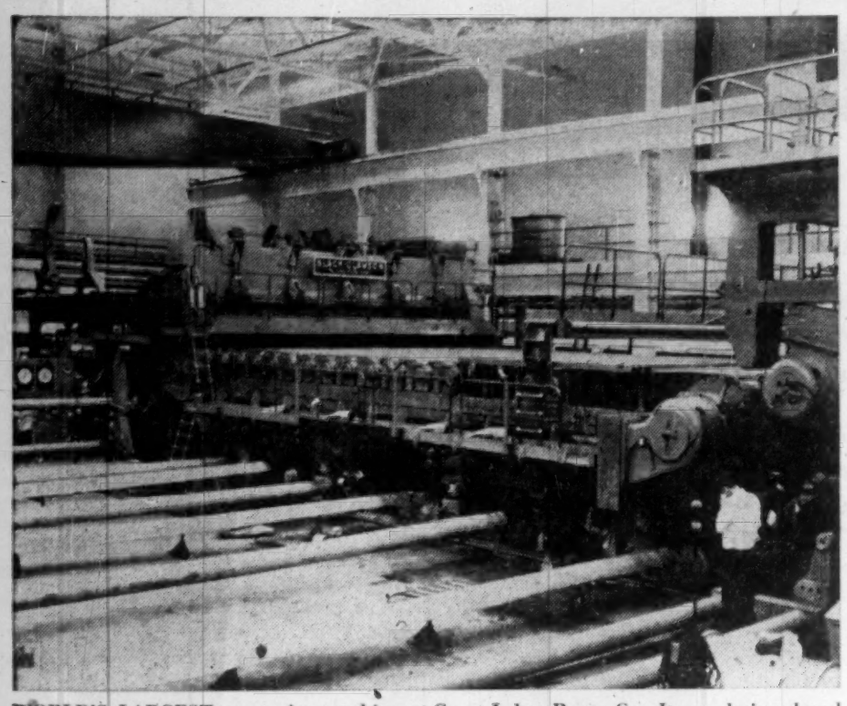

WORLD'S LARGEST newsprint machine at Great Lakes Paper Co. It was designed and built by Black-Clawson Co.

Overseas Sales

New Markets Important

With newsprint capacity growing rapidly in the U. S., overseas markets will become increasingly important to the expanding Canadian industry.

Last year Canada possessed roughly half the free world's newsprint capacity and produced half the free world's supplies.

Exports other than to the U. S. have been growing rapidly in the past eight years. From just over 200,000 tons in 1950 they increased four-fold to 852,000 tons last year.

This was almost twice shipments to the Canadian market in 1957.

This year, for the first time in the past eight, overseas exports have shown a decrease. For the first six months they were 356,280 tons, down 9.9% from 395,539 in the first half last year.

The reason is difficult to assess. Canadian industry officials cite the general decline in economic activity coupled with continuing difficulty of most soft currency countries to find dollars.

Though Canada exports to some 50 nations throughout the world, four general areas —aside from U. S.—are the most important.

In 1957 these four — the British Isles, Australia and New Zealand, Central and South America—took 85% of non-U.S. exports.

The British Isles at 395,901 tons accounted for 46.4% of all overseas exports while Australia and New Zealand took 9.8%, South America 9.2%, and Central America 18.9%.

All other countries accounted for 15.7% of non-U. S. or Canadian shipments.

Both output and capacity of newsprint in free world countries other than Canada and the U. S. are increasing. At the end of 1957 capacity was estimated at 4.5 million tons, up 6% over the previous year, and consumption at 5.4 million.

Leading producers include Finland (700,000 tons), Norway (200,000), Sweden (480,000), Great Britain (740,000), France (313,000), West Germany (298,000), Japan (633,000).

Behind the Iron Curtain in Russia, a mighty pulp and paper industry is building.

To date the free world has felt little impact from Soviet production.

However, along with such materials as aluminum, nickel and asbestos, the Russians have been reported offering pulp in "bits and pieces" in western markets at less than the going price.

Over the past few decades, the Russians have made giant strides and this expansion is continuing.

From a capacity of 35,000 metric tons in 1920, Russian paper output has increased to an estimated two million tons this year.

Under the sixth five-year plan, now in progress, paper production will be further increased to 2.7 million metric tons (about three million short tons) by 1960.

On the basis of current projections for Canada, this would give the Soviets 37% of estimated Canadian paper capacity in two years' time.

In addition, Russian production estimates for 1958 include 586,000 tons of board and 2.6 million tons of pulp.

Key to the Russian pulp and paper boom is the fact that within the boundaries of the Soviet lies the world's largest single storehouse of forest wealth.

Forests of the USSR exceed the combined forest areas of Canada and the U. S. Soviet wood reserves, at an estimated 2,000 billion cu. ft., are four times those of Canada.

Annual Russian timber cut is estimated between 78.5 billion and 80.5 billion board ft., of which 53.5 billion are commercial and the balance fire wood and other rough forest products.

From the point of view of technology, the Russians are still about five to 10 years behind the industry of Canada and the U. S., according to some reports.

Output of the Russian logger is estimated at about half that of his North American counterpart.

The Soviets however are working hard to change all this.

Current reports indicate over $3 billion per year is being poured into modernization and development of logging.

Canadian observers, who toured Russia recently report that basic logging operations in the larger scale projects are fairly well mechanized.

Russian woodsmen, they note, use electric powered tools extensively. This compares with gasoline and diesel-driven equipment customarily employed in North America.

Another Soviet practice is to haul the felled tree—crown and all—to a road junction or river bank for trimming and cutting in that location. Some of the resulting slash is used to generate electric power.

Despite prodigous effort and the enormous increase in capacity, in 1960 the Russian pulp and paper production may still be below domestic consumer demand. At present per capita consumption of paper in the USSR is 31 lbs., compared with 412 in the U. S., 280 in Canada—only four in China.

Current opinion among western pulp and paper men appears to be that while the Russian industry may well become competitive with the West, because of the vast potential demand within the USSR and satellite countries, the extent of Red exports will be determined by political rather than marketing considerations.

Thurso Pulp Co.

Successful New Mill

(CONTINUED FROM P. 66)

which became a part owner of the Thurso project — and a valuable adviser on pulp and paper economics.

With the site chosen, the contract was awarded to **Foundation Co. of Canada.** The general design was the job of **E. A. Charlton & Associates Ltd.**

The completed mill in full operation works three eight-hour shifts six days a week. At capacity it employs around 280.

Its detailed instrumentation and careful design — combined with the extra-efficient logging now made possible — must make this one of the world's most efficient pulp mills.

Singer's wood resources are about 30% softwood, 70% hardwood. Pulp logs are cut in 10-ft. lengths. Skidding to the nearest road is by horse, with gas-powered loaders putting the logs on trucks.

At the railroad, cranes unload the trucks often directly onto rail cars.

The aim at the mills — both saw and pulp — is to receive an even continuous flow of logs year-round. This allows efficient all-year operation of the railroad.

Thus wood is stockpiled along the railroad for winter movement.

This helps smooth out seasonal swings of employment and operation.

The president of Thurso Pulp & Paper is also Singer's head man in Canada. He is Paul B. Bourget, a native of Regina, now general manager for Canadian operations.

Before getting this newly created position Bourget was in charge of Singer's lumbering and manufacturing operations at Thurso.

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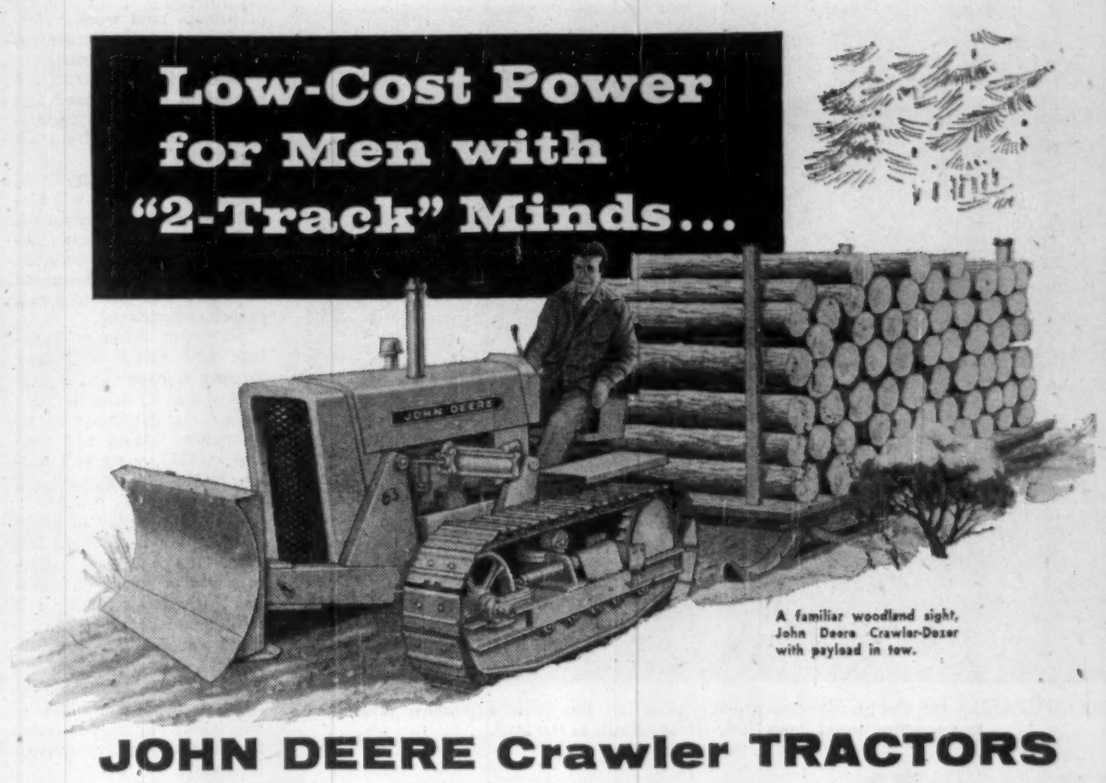


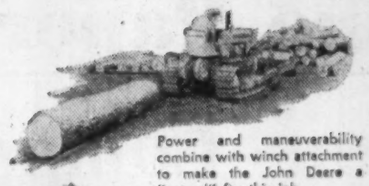
A familiar woodland sight, John Deere Crawler-Dozer with payload in tow.

JOHN DEERE Crawler TRACTORS

CANADIAN woodsmen have discovered that timber and pulpwood production can be raised even while keeping costs down to size—with John Deere Crawler Units.

They found that the John Deere reputation for big work capacity and unmatched economy is based on solid fact. They proved to themselves that for dozing, loading, hauling, or skidding, they could combine efficiency and low-cost operation and maintenance and come up with a greater all-around profit.

You can do the same. Make a John Deere Crawler a regular "member of the crew." You'll find that it's the most willing worker in camp and a "natural born logger." And there's equipment available to handle all those woodland jobs, even many previously assigned to equipment much more costly to buy and maintain.



Power and maneuverability combine with winch attachment to make the John Deere a "natural" for this job.

Log Loader, Fork Lift and Bucket Loader Attachments cut loading, unloading, transporting and tiering costs.

Clearing and bulling trails are just two more jobs the John Deere Crawler handles in stride.

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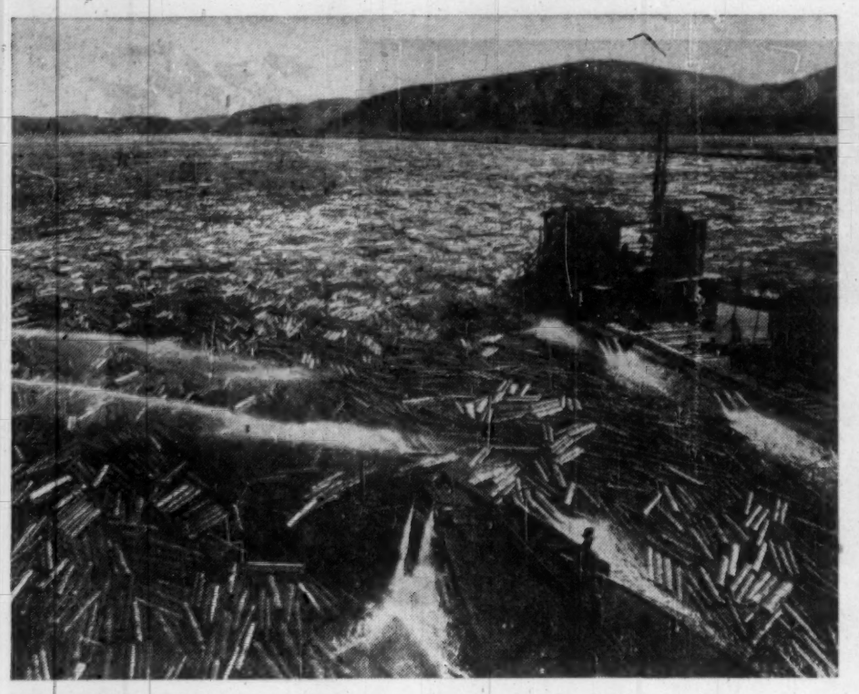


TWO COMPANIES ON the St. Maurice use the river as the least expensive means of transporting wood from their timber limits to the mill.

Fine Paper

How Companies Fare

Alliance

Alliance Paper Mills Ltd., a wholly owned subsidiary of **Howard Smith Paper Mills Ltd.**, manufactures bleached and unbleached sulphite pulp and a wide variety of paper products.

Production includes tag and folder stock, board, manifold, glassine, cellucine, carbonizing, waxing papers, sulphite specialties, tag, insulating wrapping, flour sack papers, boxboard and board specialties and coated papers.

Company's sulphite mill is at Merritton, Ont., while plant for production of coated stocks such as book, litho, label, and other specialties, is at Georgetown, Ont.

A wholly owned subsidiary, **Don Valley Paper Co.**, manufactures blotting, covers, bristol, tag stocks and many specialties.

In the past year, capacity of the board machine at the Lincoln Mill was increased substantially by major modifications and additions to the dryer section.

To obtain cleaner pulp and more efficient operations, a new water filter was installed at the sulphite mill. In addition a new larger cylinder replaced older equipment on the Kamyr pulp sheeting machine.

At Lybster Mill installation of a modern de-aerating unit on No. 3 paper machine has improved quality and rate of production.

Company has installed equipment to double production capacity for Glosskote, Canada's first cast surfaced coated printing paper. This paper—which has an exceptionally high gloss finish is surfaced by drying it in contact with a highly finished chrome-plated drum.

Individual statistics of plants in the Alliance division are not published. Financial results are consolidated with those of the parent company.

Eddy Paper

Eddy Paper Co. is an investment and holding company whose wholly owned subsidiary, **E. B. Eddy Co.**, operates an integrated pulp and paper operation for the making and distribution of a wide range of paper products.

Eddy Paper had funded debt of $21 million at Dec. 31, 1957. There were 105,404 Class A $1 convertible noncallable shares and 294,596 npv common shares at the end of last year.

Following declaration of initial quarterly dividend of 37½c to common shareholders of record Feb. 22, 1957, about 110,000 Class A shares have been converted into common stock to date, on a share for share basis.

Some 91% of capital stock of **Sidney Roofing & Paper Co.** including all Class B (voting) shares are owned by Eddy Paper. Sidney has owned and operated a Victoria, B.C., plant said to be the largest west of Toronto for manufacture of asphalt roofing.

Major phases of the relocation of this plant on a 75-acre site in Burnaby, B.C., near Vancouver, have been accomplished. The move will be complete early in 1959.

Wholly owned subsidiary (of Sidney), **National Paper Box Ltd.**, owns and operates at Vancouver the largest and most modern plant west of Winnipeg for manufacture of folding and rigid paper boxes.

In mid-1956 it acquired **Bulman Bros. B. C. Lithographing & Printing Ltd.** the oldest printing shop in Vancouver. **Bishop Asphalt Papers Ltd.**, another Sidney subsidiary, manufactures and markets roofing and building materials in Eastern Canada.

Consolidated net profit of Eddy Paper in 1957 was $2,078,873 against $2,206,219 in 1956.

E. B. Eddy

E. B. Eddy Co. is an operating subsidiary of **Eddy Paper Co.**, selling most of its newsprint output under long-term contracts.

Other products — including fine papers, household paper items, paperboard—are distributed in Canada through the company's own sales organization; or in the U. S. and overseas.

It owns plants on the Ottawa River at Ottawa, and Hull, Que., just across the river. They have a combined annual production rate of 155,000 tons of finished products.

It also owns three hydro power plants on the Ottawa River at Chaudiere Falls. These supply about 65% of company power requirements. The remainder comes from **Gatineau Power Co.**

Timber limits are on leases and licenses, to more than 5,800 sq. mi., of which about 4,000 were acquired from **J. R. Booth Ltd.** These provide an estimated potential yield of 160,000 cords a year.

Timber reserves are conserved through purchase of about 50,000 cords annually of private land woods. Annual consumption at present is around 200,000 cords.

Most timber resources are located in the Gatineau and Ottawa watersheds, permitting use of these rivers for log-driving to mills.

Consolidated net profit of parent firm for 1957 was $2,078,873 or 5.8% less than the previous year's net of $2,206,219 (the latter figure being calculated on the same basis as the former, to give a proper comparison).

Statement includes earnings and assets of **Sidney Roofing & Paper Co.**, a subsidiary, and its subsidiaries.

Capital expenditures for all companies totaled $9.5 million in 1957, some $6.3 million by the Sidney group and $3.2 million by E. B. Eddy.

A further outlay of about $8.9 million is planned this year. Of this Sidney Roofing proposes to spend $2.2 million, including a further $1.9 million on its plant relocation project at Burnaby, B.C.

E. B. Eddy program for 1957-58 is estimated to amount to $9.4 million of which $6.7 million was slated for 1958 expenditure on the following:

—New paper machine scheduled to begin operations this year.

—Additional pulp and steam capacity.

—Further expenditures on the continuing program of plant improvement and development.

The new paper machine is to increase capacity for manufacture of toweling and certain tissue grades to meet growing demand for these products.

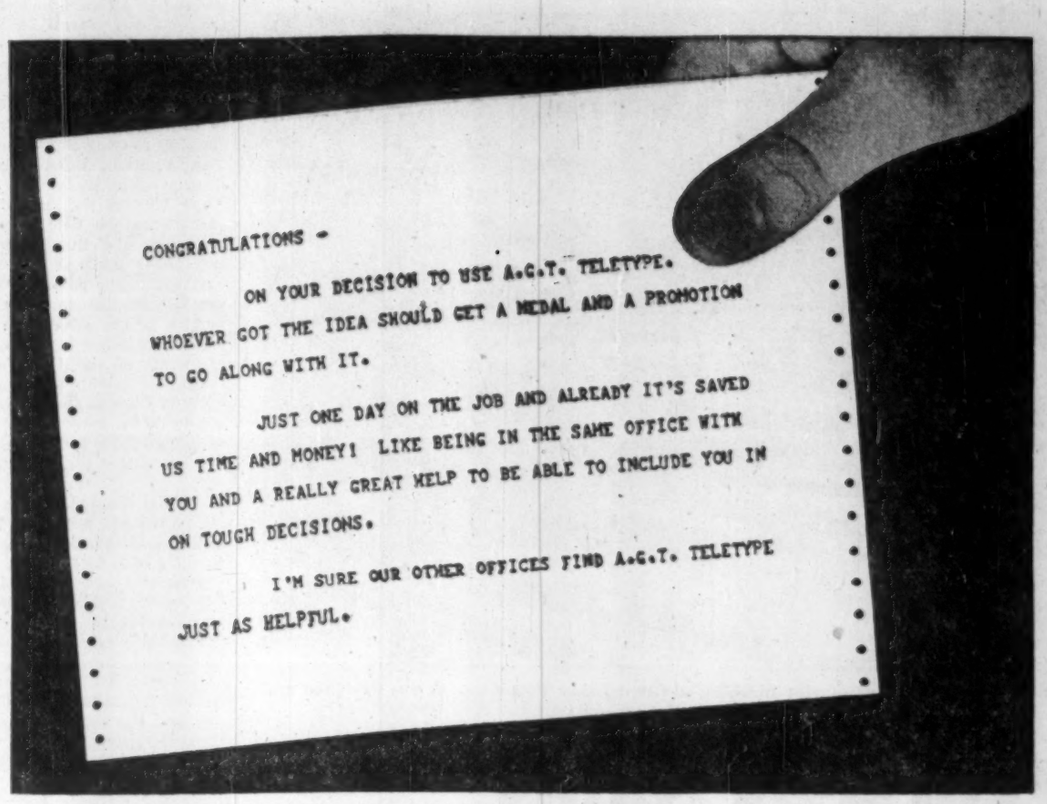
The machine will permit a reorganization of production, increasing efficiency considerably.

Its completion will come too late to have an appreciable effect on 1958 volume.

Fraser

Fraser Paper Ltd., wholly owned subsidiary of **Fraser Cos.**, operates paper mills at Madawaska, Maine, producing chemical and groundwood pulp specialty papers sold chiefly in the U. S. market.

(Continued on page 73)



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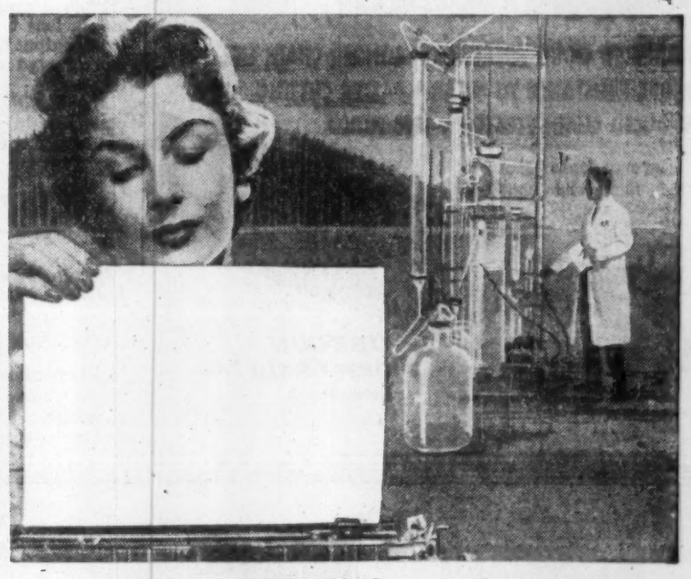

IN PULP AND PAPER MILLS—Chlorine Dioxide, generated from ERCO NaClO3 (Sodium Chlorate) is now the prime bleaching agent, giving quality papers eye-appealing whiteness with high brightnesses at economical costs.

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Wood Pulp

Abitibi P&P Co.

Abitibi Power & Paper Co. manufactures, directly and through subsidiaries, sulphite pulp, newsprint, printing and fine papers, and paperboard.

Mill at Smooth Rock Falls has an annual capacity of 67,760 tons of bleached sulphite. The mill at Sault Ste. Marie has a rated capacity for 1958 of 26,000 tons of unbleached sulphite pulp.

Output of pulps in 1957 totaled 63,516 tons, down 5.7% from 67,377 the previous year. The mill at Smooth Rock Falls operated all year at practically full capacity.

(For main article on Abitibi, see Newsprint section.)

Anglo-Canadian

Anglo-Canadian Pulp & Paper Mills Ltd. produces unbleached sulphite pulp at its Quebec City mill.

Annual capacity amounts to 60,000 tons of unbleached sulphite pulp in excess of company's newsprint requirements.

In 1957 production of excess unbleached sulphite pulp was 45,551 tons or 20% lower than 57,140 tons produced in the previous year.

For main coverage on this company see Newsprint Section.

Alaska Pine

Alaska Pine & Cellulose Ltd., Vancouver, B.C., produces dissolving and bleached sulphite pulps used in the manufacture of rayon acetate and fine papers.

Company is a wholly-owned subsidiary of **Rayonier Inc.** of New York, which acquired the 10,000 shares held by **Abitibi Power & Paper Co.**, Toronto, and the 9,354 shares held by the Koerner interests of Vancouver in 1957.

Company's chemical cellulose mill at Port Alice on the northern tip of Vancouver Island has a new 175 in. Black-Clawson pulp-drying machine designed to produce 350 tons of dissolving pulp daily at speeds from 150 to 360 ft. per minute.

Equity capitalization outstanding at latest report consisted of $1,650,000 5% cumulative preferred stock, $100 par, and 100,000 npv common shares.

Bathurst

Bathurst Power & Paper Co. produces unbleached sulphite pulp for sale at company's mills in Bathurst, N.B. Annual capacity of the pulp dryer is 24,000 tons.

Company also produces kraft pulp, semi-chemical pulp and groundwood pulp for its own use and can produce some groundwood pulp for sale.

The semi-chemical pulp mill uses hardwoods as raw material for manufacture of BCM (Bathurst Corrugating Material), a specialty corrugating medium first introduced and manufactured in Canada in 1951 by Bathurst.

Production of pulp for sale in 1957 amounted to 8,458 tons against 15,008 tons in 1956, a reduction of 6,550 tons, reflecting sharply reduced demand.

Capital improvements to plant and equipment, including installation of a new and modern black liquor recovery unit and brown stock washing equipment for the kraft pulp mill and new pulping equipment, were completed in July this year.

For other reports on the Bathurst organization see Specialty Paper Section and Paper Containers Section.

Bowater's Nfld.

Bowater's Newfoundland Pulp & Paper Mills Ltd., Corner Brook, Nfld., operates a very large six-machine pulp and paper mill, having newsprint capacity of more than 310,000 tons annually.

Company's sulphite pulp output surplus to its own needs for newsprint-making comes to about 50,000 tons yearly.

Surplus sulphite pulp, from a 150-in. machine with daily capacity of 150 tons, is sold largely in the United Kingdom.

The Newfoundland company is a subsidiary of **Bowater Corp. of North America Ltd.**, of Montreal, which is a subsidiary of **Bowater Paper Corp.** of Britain.

Operations were cut from six to five days a week last spring.

Wood cut for export was reduced during the year from 90,000 to 50,000 tons because of the inventory position in the organization's U. K. mills, which are the market for the wood.

Cdn. Forest

Howe Sound Pulp Division of **Canadian Forest Products Ltd.** operates a kraft mill at Port Mellon, B.C. Since the company acquired the mill in 1951, it has been expanded and modernized. Production rate has been increased over the past seven years from 30,000 tons a year to 80,000 tons.

In 1953 a semi-bleach plant was added which enables the mill to produce semi-bleached kraft as well as unbleached kraft. A flash drier for chemical pulp — first in Canada — will be installed this year.

Howe Sound is part of Canadian Forest Products' fully integrated forest operation which includes plywood and hardboard mills, lumber and shingle mills as well as extensive forest and logging operations.

Cdn. Internat'l

Canadian International Paper Co. produces large amounts of bleached sulphite pulp for sale. The company is a wholly owned subsidiary of **International Paper Co.**, New York.

The company's Kipawa sulphite mill at Temiskaming, Que., has three pulp-drying machines which have a total daily capacity of about 440 tons of high-grade bleached sulphite pulp (135,000 tons annually on a 308-day basis). The Hawkesbury sulphite mill at Hawkesbury, Ont., is equipped with two pulp-drying machines with a daily capacity of 265 tons of high-grade bleached sulphite or 82,000 tons on a 308-day basis.

An extensive rebuilding program at Hawkesbury was completed at the end of 1952. The mill is now producing a special new grade of hardwood dissolving pulp that was developed at the adjacent laboratories of the company's wholly owned subsidiary, **Industrial Cellulose Research Ltd.**

At the Gatineau newsprint mill, about five miles below Ottawa on the Ottawa River, company has a capacity for producing about 220 tons daily of bleached sulphite pulp (67,800 tons on a 308-day basis).

Some bleached sulphite is used by the paper mills of the parent company, International Paper Co., in the Northern U. S. Outside sales are all made under long-term contracts with over 70% going to the U. S.

For main coverage on Canadian International Paper Co., see Newsprint Section of this issue.

Columbia Cellulose

Columbia Cellulose Co. is a subsidiary of **Canadian Chemical & Cellulose Co.**, a holding company formed in 1951 to consolidate Canadian operations of **Celanese Corp. of America.**

Columbia Cellulose began manufacturing operations in a $29 million plant on Watson Island, eight miles south of Prince Rupert, B.C., in 1951. Original plans were for daily output of 200 tons of high alpha pulp.

Through expenditure of some $16 million, capacity has been expanded to 300 tons a day. In 1957 company spent $675,000 on installation of additional 11,000 cu. ft. stainless clad digester, now is spending $475,000 on extension to woodroom, new barker, chipper, etc.

Company's production of dissolving pulps is mainly used for manufacture of textile fibres and plastics. Mill supplies requirements of affiliated **Canadian Chemical Co.** at Edmonton, as well as Celanese Corp. of America and other manufacturing companies.

Through a forest management license granted by B. C. government, company holds a tract of 660,000 acres of timber land north of its mill. Tract is believed of sufficient size to maintain anticipated pulp mill capacity in perpetuity.

In 1957 parent company, which includes Canadian Chemical Co., had a net loss of $3,660,992 compared with a consolidated net profit of $41,369 in the preceding year.

For the six months ended June 30, 1958, Canadian Chemical & Cellulose reported net loss of $1,215,000 against loss of $1,468,000 in corresponding 1957.

Net sales were about 3% higher, representing increases in all phases of the company's operations other than pulp production.

Pulp sales were down 14% due to continuation into February of a strike which began in November, 1957. Loss of pulp production and continuing costs during the strike accounted for most of first half loss. In the last months of the period, operations were profitable, President M. W. Mackenzie said in an interim report to shareholders.

Capitalization consists of $9,920,000 4½% first mortgage bonds, Series A, due 1965; $3.4 million 5% general mortgage bonds due 1968, 100,000 shares 5½% cum. red. preferred shares ($100 par value) and 274,500 common shares.

All common shares are owned by Canadian Chemical & Cellulose.

Consol. Paper

Consolidated Paper Corp., one of Canada's largest producers of newsprint, converts most of its pulp output into paper, but has some kraft pulp for sale at the Wayagamack Division and some board for sale at the Laurentide Division.

The high yield sulphite plant at Belgo Division was completed in 1957 and the cost of sulphite thereby reduced.

As a result of the success of this plant, similar installations are under consideration for the Laurentide and Port Alfred Divisions.

The modernization of the kraft mill at Wayagamack Division was completed.

Pulpwood for future growth of the corporation will be provided by a saving of 50,000 cords of pulpwood annually which will result from the adoption of the high yield sulphite pulp process at the sulphite pulp producing divisions, by possible utilization of hardwood pulp and increased yield from present forest areas.

Future growth possibilities are being continually investigated and developed by company's research and operating staffs.

For main report on this company see Newsprint Section.

Cr. Zellerbach

Crown Zellerbach Canada Ltd., subsidiary of **Crown Zellerbach Corp.**, San Francisco, manufactures kraft pulp, newsprint, paperboard, and a wide variety of specialty products.

Properties include a pulp and paper mill at Ocean Falls, B.C.

During 1957, total production of paper, paperboard and kraft pulp for sale reached 337,371 tons, 15.8% above that in full year 1956. A strike closed two primary mills in mid-November, 1957, until early February, 1958.

Higher production resulted from additional output at the new Elk Falls kraft pulp mill which only operated four and a half months in 1956, and from speed-ups of existing machines.

For main article on Crown Zellerbach Canada Ltd., see Newsprint Section.

Donnacona

Donnacona Paper Co. produces substantial quantities of sulphite pulp at its Donnacona, Que., mill as well as having a large newsprint and insulating board operation.

About 65% of its sulphite pulp available for sale is sold in U. S.

Virtual control of the company was acquired by **Howard Smith Paper Mills** in 1948. Since then Howard Smith has acquired further shares, now has 97% interest.

For main report on the company see Newsprint Section.

Fraser Cos.

Fraser Cos. turn out a large amount of pulp for sale, chiefly made in its mill at Atholville, N.B. A subsidiary, **Fraser Paper Ltd.**, manufactures paper in Madawaska, Maine, chiefly for the U. S. market.

Fraser Cos. has a sulphite pulp mill at Atholville, N.B., producing paper and dissolving type pulps. At the present time, the daily capacity of the mill is approximately 270 tons of paper grade pulp or 200 tons of dissolving grade pulp for ultimate manufacture into rayon, cellophane, and plastic.

At Newcastle, N.B., company manufactures unbleached kraft pulp. The capacity of the mill is about 180 tons a day. The major portion is shipped to Edmundston for bleaching and subsequent blending with other pulp for use in the paper mills at Madawaska.

At Edmundston the company operates sulphite and groundwood pulp mills, sulphite and kraft bleaching plants and a paperboard mill. The pulp mills prepare the raw material for the Madawaska mill. The daily capacity of paperboard is 85 tons.

Most of the power used in the Fraser mills is obtained from their own steam turbine generators.

In addition, power for the Edmundston mill is brought in from **Gatineau Power Co.**'s hydro-electric plant at Grand Falls, N.B., over company's own transmission lines.

An interconnection with the N.B. Electric Power Commission system is maintained at the Edmundston and Newcastle mills.

The company also maintains two transmission lines between the Edmundston and Madawaska mills for the interchange of power. A small hydro-electric plant is also operated at Edmundston.

The company owns 1,543 sq. mi. of freehold timberlands and also holds licenses covering 3,978 sq. mi. of Crown lands in New Brunswick and Eastern Quebec.

Sales of the company's products last year included 265,214 tons of pulp, paper and paperboard (284,815 tons in 1956).

During the first half of this year, the total quantity of pulp, paper, and paperboard shipped was 10% less than for the same period in 1957. Shipments of market wood pulp accounted for most of this reduction. Lumber shipments were slightly higher than in the first six months of 1957.

The profit for the first six months of 1958, after all charges, was $2,016,484 as compared with $2,542,394 for the same period in 1957, a drop of 20.7%.

Capitalization at Dec. 31, 1957, comprised $12 million first mortgage and collateral trust bonds of which $3.5 million were issued and $3,150,000 outstanding; three million common shares (npv) of which 2,226,102 issued and outstanding.

For additional information on Fraser Cos., see Specialties, Board Section.

Gaspesia

Gaspesia Sulphite Co. is a wholly owned subsidiary of **Anglo-Newfoundland Development Co.**

The mill at Chandler, Quebec, has an annual capacity of 90,000 tons of bleached sulphite pulp. Production in 1957 amounted to 60,000 tons of bleached sulphite pulp and 12,000 tons of unbleached sulphite pulp. This total of 72,000 tons compares with 81,000 in 1956.

Consolidated net profit of Anglo-Newfoundland in 1957 was $2,281,032 ($5,425,707 in the previous year). Gaspesia's share in the net profit was $1,176 compared with $490,660 in 1956.

Great Lakes

Great Lakes Paper Co., Fort William, Ont., manufactures unbleached sulphite pulp as well as newsprint at its plant on the Kaministiquia River.

Shipments of pulp in the first six months of 1958 totaled 24,281 tons, up 10.9% from 21,883 tons in first-half 1957. Second-quarter pulp shipments totaled 13,311 tons, a gain of 38.1% over April-June shipments of 9,637 tons last year. For the full year 1957, value of pulp sales was $4.5 million against $5.2 million in 1956.

Company increased its newsprint capacity in 1957 by 90,000 tons by bringing into production a new machine (No. 3), and in July, 1958 (No. 4 machine), by 110,000 tons, making total newsprint capacity of 360,000 tons. In addition, company has available for the market 20,000 tons of surplus sulphite pulp.

Timber lands now held by Great Lakes Paper will provide an annual yield, on a perpetual basis, of sufficient pulpwood for capacity production — about 450,000 cords.

For main report on Great Lakes Paper see Newsprint Section of this issue.

Howard Smith

Howard Smith Paper Mills Ltd. is among the largest producers of fine and specialty papers, also has large manufacturing facilities for various types of pulp.

Combined annual market pulp capacity of all plants owned or controlled includes 62,000 tons of bleached and unbleached sulphite pulp; 60,000 tons of bleached soda pulp; 1,200 tons of groundwood pulp; 12,000 tons of bleached and unbleached kraft pulp.

Pulp production in 1957 totaled 425,073 tons, down from 458,250 the year before.

Consolidated net profit for the year was $6,689,878 against $7,089,130 in 1956. Former figure includes $624,028 profit on sale of fixed assets.

For details see report on Howard Smith in the Fine Papers Section.

Irving P & P

Irving Pulp & Paper Ltd., a New Brunswick company, manufactures bleached sulphite pulp at Lancaster, N.B. at the mouth of the St. John River. It was formerly **Saint John Sulphite Ltd.**

Present expansion at the company's fully bleached sulphite mill is understood nearing completion. Last reported production was at the rate of 240 tons of fully bleached sulphite per day. Mill capacity was being increased to 80,000 tons per annum under the present program from 55,000 tons.

Under the expansion program, company reports it has added additional bleach plant capacity, a new stock blending chest, a new digester and further improvements.

Company owns 1,000,000 acres in New Brunswick and in the State of Maine of spruce and balsam, and stands of pine, cedar and hardwood.

Irving also owns 544 preference and 34,585 common shares of the 1,725 preferred and 118,800 common issued of **Allagash Co.** This company owns 85,144 acres of timberland in Maine.

Company does not publish financial statements.

Under construction is Irving's $16 million bleached kraft mill at Lancaster for 1960 completion.

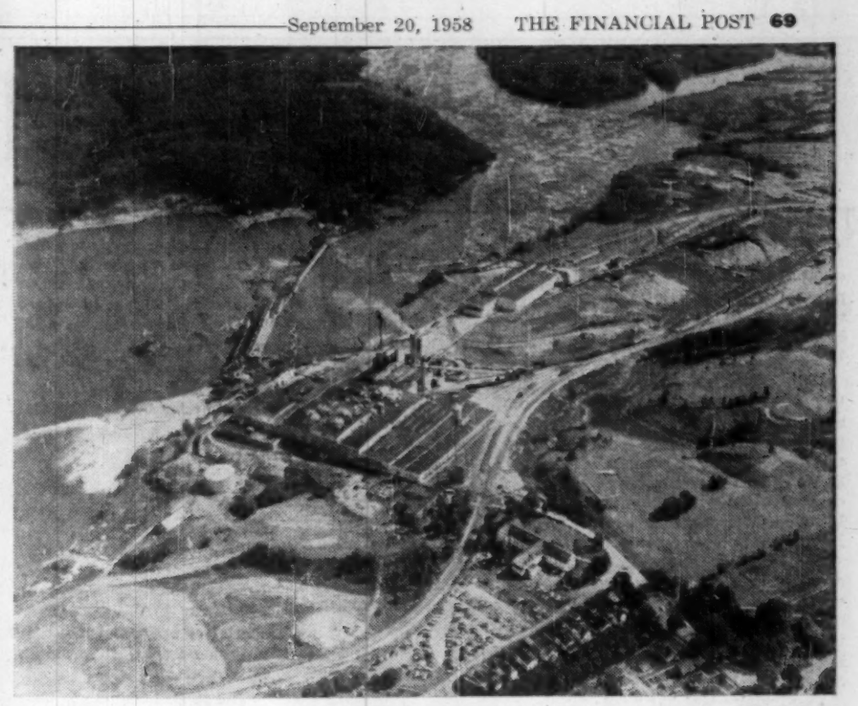
Involved in this project is **Kimberly-Clark Corp.**, which has purchased 35% of the capital stock of Irving Pulp & Paper.

Irving and other interests also are backing proposal for a paper mill at Lancaster, possibly to cost $7 million.

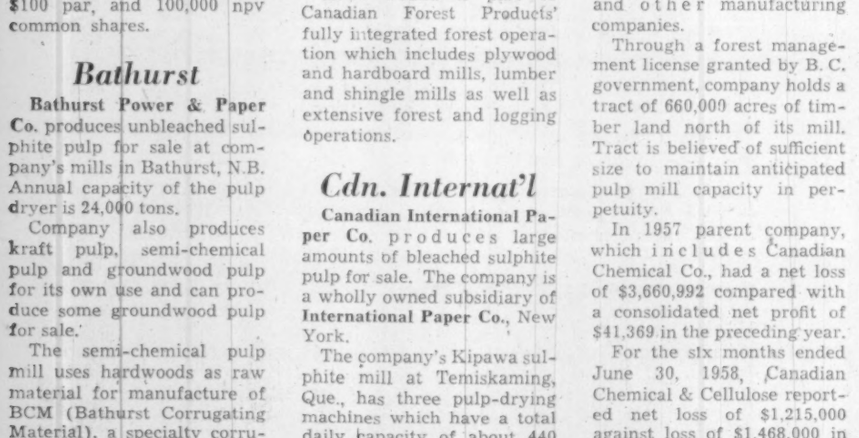
Kimberly-Clark

Kimberly-Clark Pulp & Paper Co., formerly **LongLac Pulp & Paper Co.**, is a wholly owned subsidiary of **Kimberly-Clark Corp. of Neenah, Wis.** It operates a kraft pulp mill at Terrace Bay, Ont., on the Lake Superior north shore, with a daily capacity

(Continued on page 70)



HERE IS AN aerial view of the Abitibi Power and Paper Co.'s newsprint division at Iroquois Falls.



DYE IS ADDED to a vat of pulp to be used in the manufacture of colored papers and boards.

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Wood Pulp

(CONTINUED FROM P. 69)

of 350 tons of bleached kraft pulp. Output is shipped to the parent company's mills at Kapuskasing, Ont., and in the U. S.

Mill, which employs over 650 workers, is at the southern end of a water system which carries logs from the timber limits at Long Lac 80 miles to the north, where company's woodlands are located. Over 800 men work in this area.

Parent company's pulp capacity in Canada has been considerably increased through acquisition last October of a 35% interest in **Irving Pulp & Paper Ltd.**, Saint John, N.B.

The Irving plant has a sulphite pulp capacity of about 200 tons daily. A kraft pulp mill with a like capacity is under construction.

An important market for the new kraft mill's output will be Kimberly-Clark's recently completed cellulose wadding and converting plant at New Milford, Conn.

Irving Pulp & Paper owns about one million acres of timberlands and also has substantial cutting rights under Crown leases.

Consolidated sales of Kimberly-Clark Corp. and subsidiaries amounted to $333.1 million in the fiscal year ended April 30, 1958, an increase of 7.2% over the $310.7 million sales of the same companies during the 1956-57 fiscal year.

Net earnings were $24.3 million, or 7.3% of sales, compared with $24.8 million in the previous fiscal year. Earnings were equivalent to $2.86 a share on 8,503,374 common shares outstanding compared with $2.92 on 8,496,494 shares the year before.

The decline in earnings resulted from costs incident to starting up two new paper machines and to the reduction of dividend income from two associated newsprint companies, company said.

(Financial statements of the Canadian company are not published).

KVP

KVP Co., a subsidiary of **Kalamazoo Vegetable Parchment Co.**, Kalamazoo, Mich., produces bleached, semi-bleached, and unbleached kraft and groundwood pulp in its mill at Espanola, Ont. Company also manufactures wrappings, bag stock, waxings, coating, hanging, specialties, and a small amount of newsprint.

Holdings are operated under a forest management contract of 21 years, with option to renew for additional periods of 21 years each. Stipulations in the contract with the Crown include the cutting of minimum and maximum quantities of pulpwood, building of roads necessary to reach mature timber, and preservation of forest resources.

The Espanola property was bought from **Abitibi Power & Paper Co.** in 1943 at a cost of $1 million. In 1952, a parchment processing plant was added.

Consolidated sales of parent company in fiscal year ended Sept. 30, 1957, were $54.5 million, a decrease of about 2% from the previous year. Net earnings were $3.2 million or $3.51 per common share, compared with $3.7 million or $4.07 in previous fiscal year.

The parent company's consolidated net profit for the nine months ended June 30, 1958, was $1.9 million, down 20% from $2.4 million in the comparable period a year earlier. Net sales were $39.2 million against $42 million last year.

Net profit for the three months ended June 30 was $655,143, compared with $795,122 for the same 1957 quarter. Net sales declined to $12.4 million in the quarter from $13.7 million a year earlier.

President Dwight L. Stocker last month noted an uptrend in new orders, particularly for KVP's Canadian plants.

MacM. & Bloedel

MacMillan & Bloedel Ltd. Vancouver, B. C., controls a fully integrated lumber operation from standing timber to sale of finished product. It is one of the largest manufacturers and exporters of forest products in the world.

In addition to its worldwide merchandising business in forest products, company also owns six logging camps, two saw mills, two plywood mills, a door factory, a bleached kraft pulp mill and a paper converting plant.

A wholly-owned subsidiary, **MacMillan & Bloedel (Alberni) Ltd.**, owns and operates four logging camps, two saw mills, two shingle mills and a pulp and paper mill.

Other wholly-owned subsidiaries operate two small logging camps, a general deep sea fishing business and 10 sales offices with warehouse facilities throughout Canada. A pulp mill at Harmac, near Nanaimo on Vancouver Island, has an annual capacity of 240,000 short tons of bleached kraft pulp.

A mill at Port Alberni has four machines turning out unbleached and semi-bleached pulps, kraft paper and board, as well as newsprint. It has capacity to produce 60,000 tons of unbleached or semi-bleached kraft pulp annually. Operations at the Port Alberni pulp mill were reduced from three shifts to two shifts a day during the past summer.

Net sales in the nine months ended June 30, 1958, were $121.4 million, compared with $129.8 million in the corresponding 1956-57 period.

For the nine months, net earnings of $6,285,781 or $1.19 per share were 23.9% lower than the net of $8,261,268 or $1.56 a share in the corresponding period a year earlier.

In the April-June quarter of 1958, however, net income rose by 13.8% to $3,507,094 or 66c per share, from $3,081,389 or 58c per share a year earlier.

The Port Alberni expansion, which will cost approximately $83 million when completed, contributed importantly to this improvement, said president Ralph M. Shaw. Otherwise, prices and volumes were generally lower, he said.

In April, 1958, company carried out $32.5 million financing to help pay for additional facilities at Port Alberni, as follows:

— $5 million 5¼% sinking fund debentures due May 15, 1965.

— $17.5 million 5⅜% sinking fund debentures due May 15, 1978.

— $10 million (U.S.) 4⅞% sinking fund debentures due May 15, 1978.

Other capitalization outstanding at Jan. 31, 1958, after giving effect to the above financing, included $575,000 3% serial bonds; $2 million 3¾% serial bonds, due 1959 and 1960; 32,443 convertible 50c cumulative npv Class A shares; and 5,253,095 npv Class B shares.

Marathon

Marathon Corp. of Canada, formerly a subsidiary of **Marathon Corp.**, Menasha, Wisc., became a subsidiary of **American Can Co.** within the past year.

It operates a high grade bleached kraft mill at Marathon, Ont. with a production capacity of close to 400 tons per day or about 140,000 tons per year. Current capacity is somewhat higher than 1956's 131,000 tons.

Marathon Packages Ltd., Toronto, formerly a subsidiary of Marathon Corp. of Canada, is also a subsidiary of American Can Co.

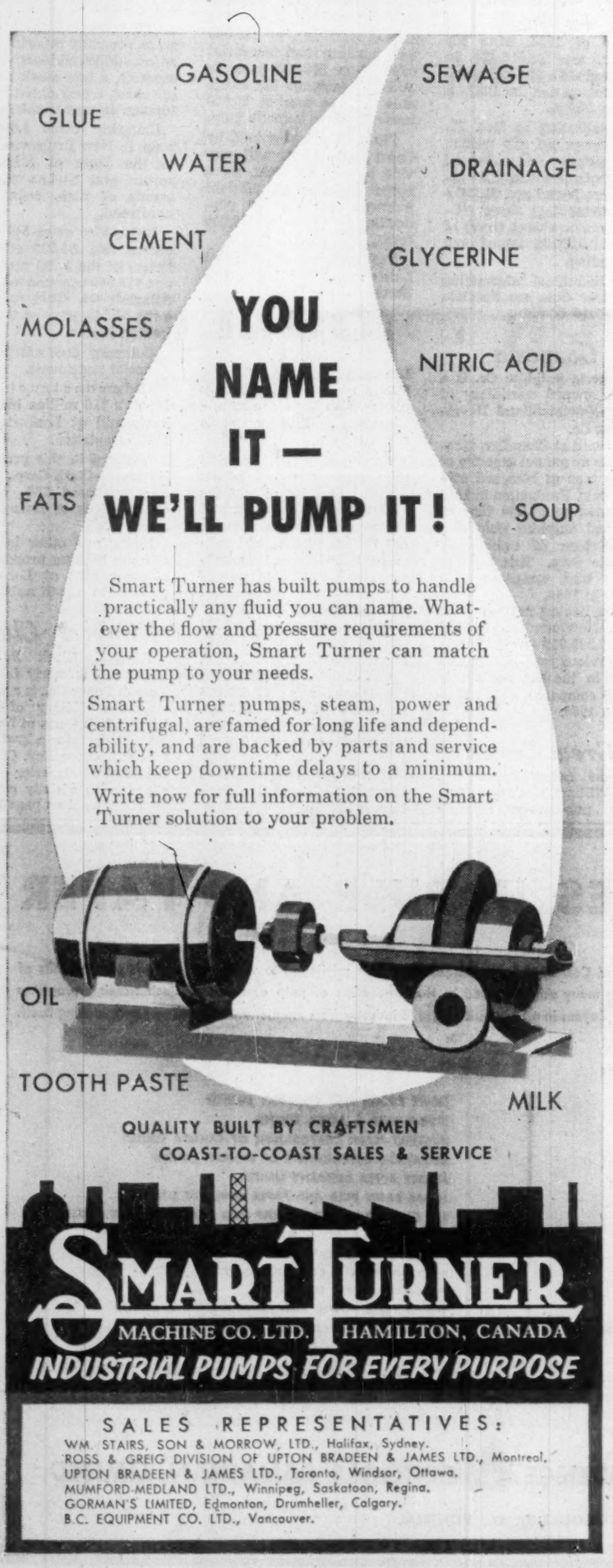
No separate figures are published for American Can's Canadian operations or for Marathon as a division of the U. S. company.

Minas Basin

Minas Basin Pulp & Power Co. is a manufacturer of groundwood pulp and paperboard as well as an exporter of lumber.

Shipments of groundwood pulp for 1957 amounted to

(Continued on page 71)



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Wood Pulp

(CONTINUED FROM P. 70)

25,500 tons. Slightly over 75% of this tonnage was exported to **Scott Paper Co.** of Chester, Pa., balance being used in the company's paperboard division and by its subsidiary, **Canadian Keyes Fibre Co.**, for moulded pulp products.

Paperboard shipments amounted to 9,960 tons, and lumber shipments totaled 19.5 million superficial feet, a decrease of 10.5 million superficial feet from the previous year.

Company's pulp and paperboard mills are located at Hantsport, N.S. Power plants with 7,100 hp capacity are located at St. Croix, N.S.

Capitalization comprises 17,000 authorized npv common shares all issued and outstanding.

North Western

North Western Pulp & Power Ltd., owned jointly by **North Canadian Oils Ltd.** and **St. Regis Paper Co.**, New York, began production in the spring of 1957 at its new $50 million pulp mill at Hinton, Alta.

Producing bleached kraft pulp, the mill is the first kraft pulp mill in the western hemisphere operating wholly with continuous digesters, company states.

North Western holds cutting rights on two million acres of Alberta timberlands and has been granted an additional two million acres as a reserve for further expansion.

St. Regis operates and manages the mill and sells its production. The portion of pulp produced which is not used by St. Regis in its own converting plants is sold under the brand name Alberta Hi-Brite.

Total annual capacity is estimated at 150,000 tons of bleached kraft pulp. In the initial construction, adequate facilities were provided for the eventual doubling of the mill's present capacity.

Company's two digesting systems at Hinton have a volume of 10,800 cu. ft. and are considered to be the largest in use anywhere in the world. Rated production capacity is 250 tons each per 24 hours. The bleach plant has a rated bleached stock output of approximately 430 tons per day. This is likely to reach 500 tons daily before year end.

Ontario Paper

Ontario Paper Co., Thorold, Ont., and its wholly-owned subsidiaries, **Quebec North Shore Paper Co.**, Baie Comeau, Que., and **Quebec & Ontario Transportation Co.** are owned by **The Chicago Tribune** and **The New York News**.

Company's pulp plants at Thorold and Baie Comeau, with combined annual capacity of 60,000 tons of pulp, sell the output on the open market.

Wood supplies for the Thorold mill come from the company's timber limits at Shelter Bay and Franquelin, Que.; Heron Bay (Lake Superior), and Manitoulin Island, Ontario.

Since there is no direct public interest in the company, financial and operating statistics are not published.

For main article on Ontario Paper Co., see the Newsprint Section.

Restigouche

Restigouche Co., formerly a subsidiary of **Fraser Companies Ltd.**, this year was purchased by its parent company and is now operated as a division of Fraser Cos.

Mill at Atholville, N.B., has a capacity of 270 tons of paper grade or 200 tons of dissolving grade pulp per day.

St. George

St. George Pulp & Paper Co. operates a pulp mill at St. George, N.B. It is one of the few Canadian mills which produces bleached groundwood pulp for sale, and is one of the oldest groundwood mills in Canada.

Total capacity is about 24,000 tons annually. There has been no change in capacity for a number of years and none is currently contemplated, it is understood.

Operations in 1958 have been fairly quiet.

There are six grinders and eight wet machines in the mill situated at the mouth of Magagaudavic River.

Sales are about 75% in the U. S. and the remainder in Canada.

Financial statements are not issued for publication.

St. Lawrence

St. Lawrence Corp. produces unbleached sulphite, kraft, semichemical and groundwood pulps as well as making shipping case materials, kraft fibre and specialty papers, boxboard and newsprint.

Company owns and operates five mills, of which three are in Quebec (at Trois Rivieres, Dolbeau and East Angus) and two in Ontario (at Red Rock and Nipigon).

These mills have combined annual saleable capacity of about 685,000 tons of pulp and paper products.

Company's surplus pulps are sold in Canada, the U. S. and overseas. Annual capacity is 43,000 tons.

During 1957 company undertook a program at the Red Rock mill to improve and increase its kraft pulp manufacturing facilities, one effect of which will be to eliminate the purchase of sulphite and semi-bleached kraft from other producers.

The complete program will ultimately increase annual output of the kraft board machine from 130,000 tons to more than 200,000. The bleaching plant will permit greater diversification of products.

The initial phase of this program, estimated to cost $6 million and scheduled for completion late in 1959, includes a new 400-ton chemical recovery boiler with vertical precipitator, and the first three stages of a six-stage pulp bleaching plant.

For financial and operating details, see Newsprint Section.

Thurso P & P

Thurso Pulp & Paper Co. started operation last spring of its $19 million 200-ton high brightness kraft pulp mill at Thurso, Que., between Montreal and Ottawa.

The mill is 70% owned by **Singer Manufacturing Co.**, the sewing machine maker, and 30% by **Perkins-Goodwin Co.** of New York. Latter is exclusive sales agent for the mill's product, has long experience in the pulp and paper business.

Operation of the mill completes a neatly integrated woods operation for Singer on its 500,000 acres of limits near Thurso. For years Singer has used its wood to make sewing machine cabinets; but this has resulted in only partial use of company resources.

The new mill will use both wood cut from the bush and waste from sawmill-woodworking operations. Its needs will run to 400 cords daily.

Quantity of wood available is estimated to be enough to supply the mill in perpetuity.

Pulpwood will be carried to the mill over the company-owned **Thurso & Nation Valley Railway**.

Financing involved sale of $12 million 3½% 20-year notes guaranteed by Singer. Balance was provided by Singer and Perkins-Goodwin.

Top Newsprint Importers

	Ave. Imports 1935-39	1956	1957	1958 est.
	000 tons			
U. S.	2,645	5,541	5,200	4,900
Britain	474	538	570	580
West Germany	57	139	175	210
Australia	187	201	188	192
Brazil	54	178	185	190
Argentina	161	98	177	177
France	41	173	183	111
World total	4,207	7,819	7,600	7,300

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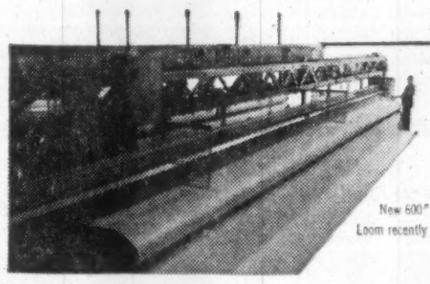

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Consultant's Fees	60,000		
Sub-Contractor's Profit	20,000		20,000
Production Time			27,000

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Paper Containers

Bathurst

Bathurst Containers Ltd., a wholly owned subsidiary of **Bathurst Power & Paper Co.**, produces and sells corrugated boxes and allied products at plants located in Montreal and St. Laurent, Que., Hamilton, Toronto and Whitby, Ont. and St. Boniface, Man. Wood boxes and allied products are also produced at the plants in Montreal and Toronto.

Container boards used by the plants are manufactured in the industrial paperboard mills of the parent company in Bathurst, N.B.

In 1955, Bathurst formed a container division to correlate the operations of its three subsidiary companies manufacturing industrial shipping containers **(Kraft Containers Ltd., Shipping Containers Ltd. and Canadian Wirebound Boxes Ltd.)**. As a further step toward consolidation, and commencing Jan. 1, 1958, operations and other activities previously carried on by the Contajner Division began functioning under one corporate entity—Bathurst Containers.

In 1957 the container plants converted 86,218 tons of container boards into corrugated products compared with 92,960 tons in 1956. The plants used a total of 12,493,186 bd. ft. of lumber and veneer, down from 15,294,242 in 1956. The decrease in volume in 1957 reflected increasing competition within the industry.

Bathurst Containers has entered the Western Canadian market through the acquisition of **Norwood Box Co. Ltd.**, St. Boniface, Man., previously engaged in the manufacture and sale of corrugated and solid fibre shipping containers.

Annual report of Bathurst Power & Paper, issued in March, notes that a considerable surplus of capacity for industrial paperboards and shipping containers is available in both Canada and the U. S.

This development broadens competition both in the domestic and export markets.

The Bathurst organization feels it is well equipped and in a strong position to meet the situation. The financial condition is sound, plant and equipment are modern and efficient, basic raw materials are readily accessible and valuable experience acquired.

A capital improvements program, announced in 1956, was virtually completed by the end of 1957, enabling container plants to satisfy growing demand by customers for diversification in the design, construction and use of shipping containers.

For further reports on Bathurst companies see Pulp and Specialty Sections.

Dom. Containers

Dominion Containers Ltd. manufactures corrugated packing cases, folding and setup boxes, displays and transparent boxes, in two plants in Montreal.

Company has two subsidiaries, **Standard Paper Box Manufacturing Ltd., and King Paper Box Manufacturing Ltd.**, both in Montreal.

More efficient manufacturing methods, development of new products and effective sales promotion are being reflected in operations. In 1956, the last year for which figures are available, net earnings were $1,339,501 against $903,248 in 1955. In recent years some $500,000 has been spent on capital improvements, including new machinery.

Company no longer makes its annual reports public.

Gair Co.

Gair Co. Canada is a wholly owned subsidiary of **Continental Can Co.**, New York. Robert Gair Co., New York, and Continental Can merged their operations in October, 1956.

Gair Co. Canada manufactures and sells corrugated and fibre shipping containers and folding paperboard cartons. It manufactures paperboard both for its own use and outside customers. Other products include counter display cartons, cracker caddies, paper specialties, gummed tape, and mechanical pulp.

Operating properties include two paperboard mills in Toronto and one in Montreal, and folding carton plants at Toronto, Montreal, Winnipeg and Edmonton. There are shipping container plants at Toronto, London and Montreal.

Company's new $1-million container plant at London, Ont., was completed early in 1958 and is now serving the market in that area.

A new $2-million folding carton plant was completed at Winnipeg last February and is the largest plant of its kind west of the Great Lakes. In addition to producing folding cartons and rigid boxes of all kinds, it also manufactures a line of wax papers, butter wraps and related products.

Company does not anticipate any major expansion program within the next year, but expects to spend about $1-million in improving present facilities.

Financial results of the Canadian company are no longer published separately.

Hendershot Paper

Hendershot Paper Products Ltd., Burlington, Ont., makes corrugated paper shipping containers and corrugated single-face specialties.

Recent growth made company's facilities at its two Hamilton plants inadequate. Construction of a new plant was begun in April, 1957, and by March of this year its entire double-face and single-face operations had been transferred to a modern 165,000 sq. ft. building in the Town of Burlington.

The new plant has ideal transportation facilities and was designed for the installation of additional high-speed equipment. The two Hamilton properties have been disposed of.

Net profit for 1957 was $137,498, 21.8% lower than $175,862 for 1957.

Company sold 6½% first mortgage sinking fund bonds and 6¾% general mortgage sinking fund bonds to assist in defraying the cost of erecting and equipping its new plant. At Dec. 31, 1957, $760,000 first mortgage bonds and $100,000 general mortgage bonds had been issued.

Capitalization outstanding at the end of 1957 includes 7,000 6% cumulative redeemable preference shares, $100 par, and 155,395 common shares, n.p.v.

Hinde & Dauch

Hinde & Dauch Paper Co. of Canada, Toronto (controlled by **Hinde & Dauch Paper Co.**, Ohio), manufactures jute liners, wrapper and header stocks, and a wide variety of paperboards at its paper mills, and corrugated and solid fibre boards, boxes and folding cartons, etc., at the box factories.

Art, research and engineering facilities are maintained for consultation on packaging problems and to develop new uses for the company's products.

Plants are located at Toronto, Trenton, Calgary, Winnipeg, Chatham, St. Marys, Montreal, Leaside and Peterborough.

Company's new corrugated box plant at St. Marys went into operation early in June of this year. Initial capacity of this factory provides 30 million sq. ft. of corrugated paperboard products monthly.

Consolidated net profit for the year ended Oct. 31, 1957 was $1,585,629, 14% lower than in the previous fiscal year. Earnings per share were equal to $4.40 ($5.17). Dividends paid were unchanged at $1.80 per share.

Decline in earnings was due to increases in costs of labor, raw materials and transportation, only partially offset by improved productivity in certain manufacturing units. Another factor in profit decline was a material rise in depreciation charges.

Company's sales increased by 4.2% to a record level of $31.9 million. Paper production also reached a new record of 112,960 tons, a gain of 5% over the previous year. Combined shipments of shipping case plants were fractionally higher at 1,570 million sq. ft.

Capitalization outstanding at July 31, 1958 included $5 million 3% and 3½% serial debentures due 1958 to 1965 and 360,000 common npv shares.

Marathon

Marathon Corp. of Canada is a subsidiary of **American Can Co.** It was formerly a subsidiary of **Marathon Corp.**, Menasha, Wisc.

Chief product is high-grade bleached kraft. Folding and set-up paper board boxes are manufactured at Toronto by **Marathon Packages Ltd.**, which is also a subsidiary of American Can Co.

For main article on company, see Pulp Section.

Maritime Paper

Maritime Paper Products Ltd. is a holding company with one wholly owned subsidiary — **Industrial Containers Ltd.** with a plant in Halifax.

The subsidiary manufactures cartons and other corrugated products for industrial uses.

Capitalization is 8,750 5% cumulative preferred shares, $20 par, of which 5,807 are outstanding, and 15,000 npv common shares, all outstanding.

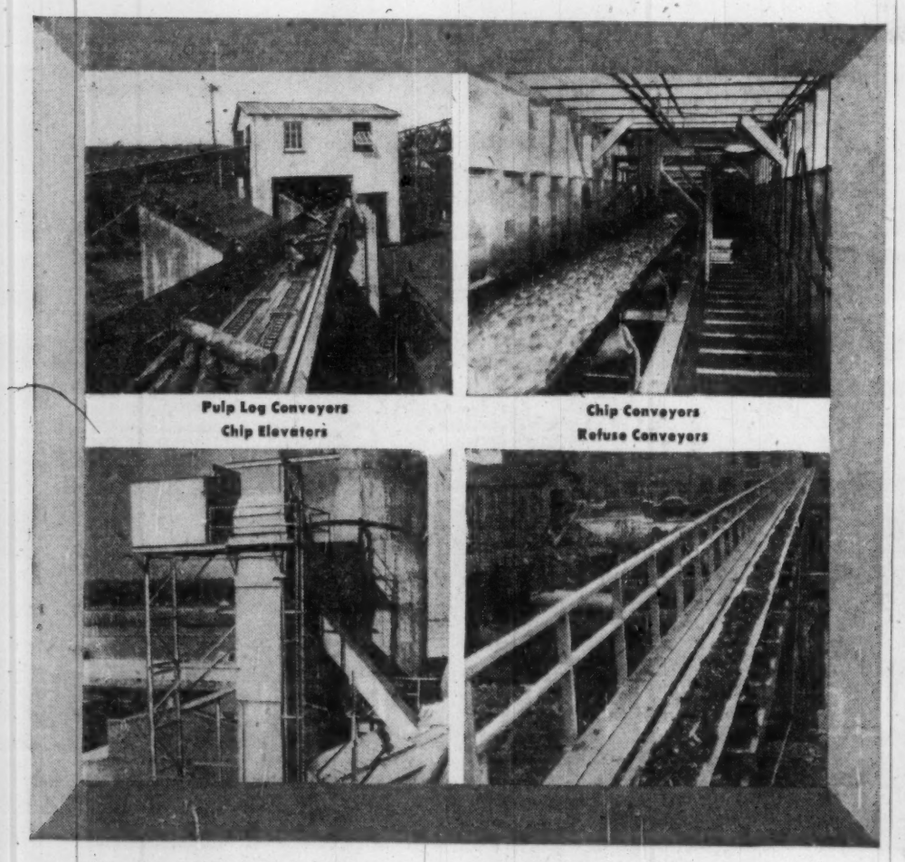
Sidney Roofing

Sidney Roofing & Paper Co., Victoria, B.C., in addition to making roofing and allied products, and many types of building papers, through a subsidiary manufactures a wide range of paperboards and cartons.

Over 90% of the capital stock, including all Class B stock is owned by **Eddy Paper Co.**

In the fall of 1956 company purchased **Bulman**

(Continued on page 75)



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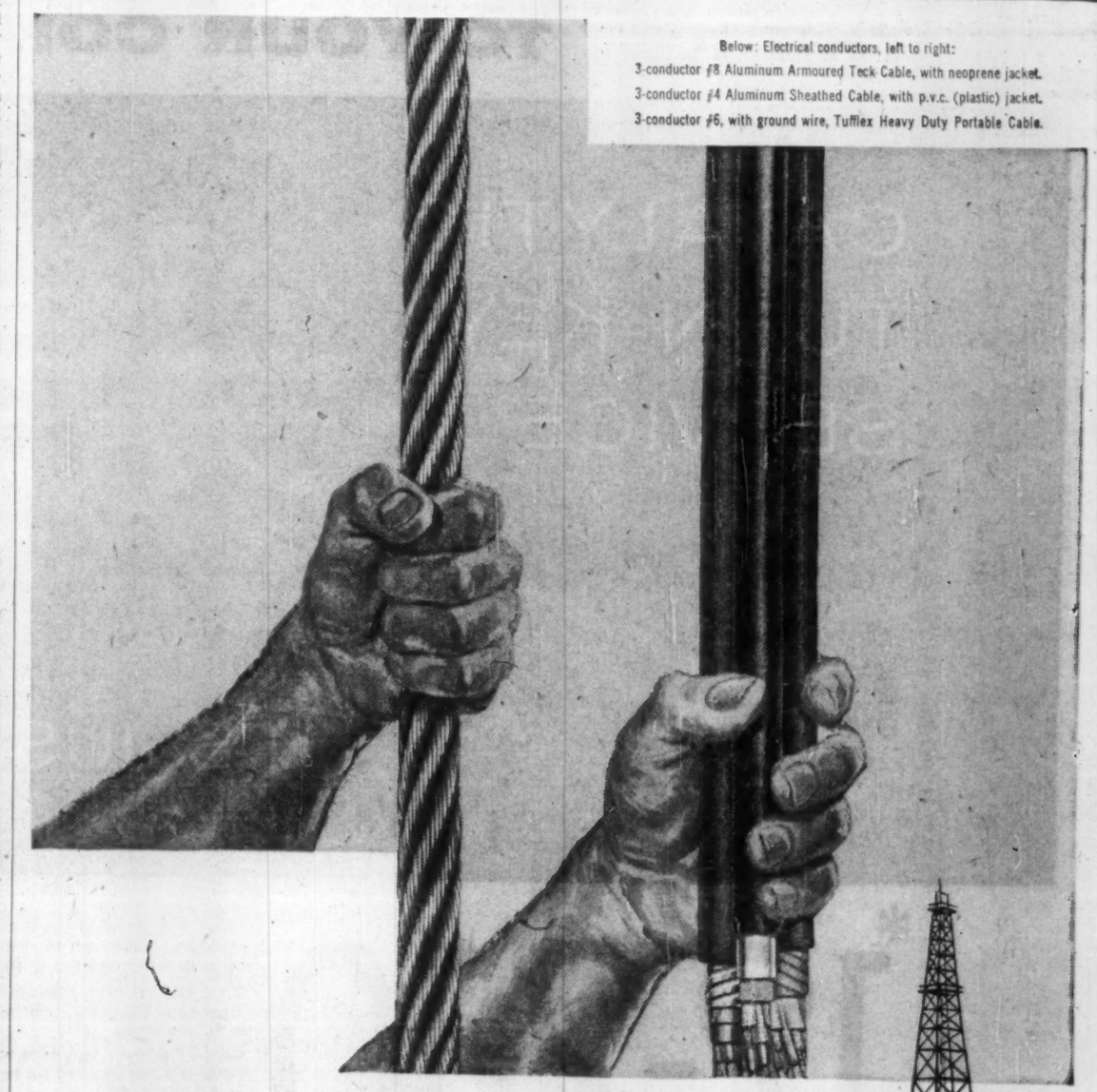

Below: Electrical conductors, left to right:
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Fine Paper

(CONTINUED FROM P. 68)

Daily capacity of these mills is about 555 tons consisting of 370 tons of chemical pulp papers and 185 tons of groundwood specialty papers.

Consolidated net profit of Fraser Cos. in 1957 was $5,298,524 ($6,705,642 the previous year). In the first six months of this year, consolidated net profit totaled $2,016,484 ($2,542,394).

During the first half of this year, the total quantity of pulp, paper and paperboard shipped was 10% less than for the same period in 1957. Shipments of market wood pulp accounted for most of this reduction. Lumber shipments were slightly higher than in the first six months of 1957.

Consolidated net working capital at Dec. 31, 1957, was $15,319,393 compared with $16,471,023 at the end of 1956. Inventories were up to $17,094,580 ($15,313,637).

Capital expenditures in 1957 amounted to $6,482,333 for new additions and improvements to plant and equipment.

See also Pulp and Specialties, Board Sections.

Howard Smith

Howard Smith Paper Mills Ltd. and its subsidiaries own and operate plants producing several types of conventional paper-making pulps and a wide range of papers, converted paper products, and certain chemicals.

It is one of the largest producers in Canada of fine and specialty papers and makes more than 500 grades of paper sold throughout the country and exported to Great Britain, South Africa, New Zealand, Australia, South America, and other countries.

Pulps and byproducts produced comprise bleached sulphite, bleached soda and groundwood pulp; vanillin, a flavoring material, and tomlinite, a synthetic resin.

Through its subsidiaries the company also controls plants for the manufacture of groundwood pulp, bleached and unbleached kraft pulp and sulphite pulp, glassine, greaseproof, wrapping, coating papers, tags, paper bags, and specialties, paper and cloth base plastic laminates, and newsprint.

Combined annual capacity for sale (including **Donnacona Paper Co.**) is 320,000 tons of fine paper, kraft, specialties, newsprint, etc.; 60,000 tons of bleached soda pulp, 12,000 tons bleached kraft pulp, 1,200 bleached groundwood, 100,000 lb. vanillin, 3,000 tons of decorative and industrial laminates, 100 million sq. ft. of building board, 350 million paper bags and 12 million flour sacks.

Total production of all kinds of pulp was 425,073 tons (458,250 tons the previous year); total production of paper 299,200 tons (318,473).

The company owns plants at Cornwall, Ont., and Beauharnois, Que. It sold its Crabtree Mills, Que., operation last year to **Westminster Paper Co.** of Vancouver.

The Cornwall and Beauharnois plants are owned directly by Howard Smith; those of the Windsor Mills Division are owned through **Canada Paper Co.**; those of the Merritton, Georgetown and Toronto (**Don Valley Paper Co.**) through **Alliance Paper Mills Ltd.** and the Ville LaSalle, Montreal, plant through **Arborite Co.**

Plants of Donnacona Paper Co. are at Donnacona, Que.

Consolidated net profit last year was $6,689,870 ($7,089,130). The 1957 figure includes $624,028 profit on sale of fixed assets (largely Crabtree Mills).

Demand for products in 1957 was on a slightly lower level especially for pulp, newsprint and kraft grades.

Dominion Tar & Chemical Co. acquired majority control of Howard Smith following a limited offer to acquire common shares on the basis of 3½ Dominion Tar for one Howard Smith. This boosted Dominion Tar holdings of Howard Smith common from around 33% to more than 53%.

Capital expenditures last year were $6,281,685 ($7,582,246 in 1956).

Combined total sales of all companies for 1957 reached $103,013,041 a decrease of 1% from $104.4 million the year before.

This summer Howard Smith announced a $12.5 million expansion plan, following completion of an earlier growth program which began after the last war.

Major items in the new plan are a new Fourdrinier paper machine which will bring to six the number in operation in Cornwall. This machine is being designed primarily for lightweight grades.

It should mean a 40%-50% boost in fine paper output at the mill and will bring annual capacity to around 100,000 ton.

Also at Cornwall:

An extension to the paper processing and finishing area as well as additional stockroom space to accommodate production from the new machines; a new hardwood yard and processing plant — Howard Smith research has enabled increasing use of local mixed hardwoods; installation of a new steam boiler; a new three-story welfare building including a cafeteria seating 300.

Completion date for the growth: mid-1960.

Outstanding capital stock includes 160,000 preferred shares and 1,742,750 npv common shares. Funded debt outstanding Dec. 31 last consisted of $1.8 million 2¾% first mortgage bonds, 1950 series; $6 million 3% first mortgage bonds, 1950 series; $3.5 million 4½% Series A debentures. There were also outstanding $4.6 million in Donnacona Paper Co. bonds.

Provincial

Provincial Paper Ltd., wholly owned subsidiary of **Abitibi Power & Paper Co.**, manufactures and distributes high grade book, litho, bond, coated and writing papers. Company has three plants in Ontario, located as follows:

Georgetown mill—a paper coating mill, with annual capacity of 12,240 tons.

Thorold mill — a mill at which four paper machines produce book, writing and specialty papers. Annual capacity is 45,900 tons.

Port Arthur mill—producing machine coated and ground wood printing papers on two paper machines, with annual capacity of 47,330 tons.

Company also owns and operates a hydro-electric plant at Thorold, generating about 850 hp.

Abitibi's total production of printing and fine papers in 1957 was 101,952 tons, an increase of 4% over 1956's 98,038 tons.

This year's earnings of Provincial Paper in the fine paper field are somewhat lower, reflecting a lessened demand for most grades of fine paper, said Abitibi president D. W. Ambridge.

Rolland

Rolland Paper Co. manufactures and sells high-grade writing, ledger, airmail, offset, litho book, letterpress book and mimeograph papers.

Sales offices are located in Montreal, Toronto, Winnipeg and Vancouver.

Company's plants are located at Mont Rolland and St. Jerome, Que.

Production of the Mont Rolland mill is about 16,000 tons annually of sulphite bond and book papers.

The St. Jerome mill has a capacity of about 38,000 tons of high-grade rag stock, sulphite bond, offset and duplicating papers on four paper machines.

Last year company completed a $5 million expansion program at St. Jerome mill which included construction of a new 160-inch paper machine with a daily capacity of 100 tons.

This machine is electronically controlled and is one of the largest machines making fine paper.

Also installed were new filtration plants at Mont Rolland and St. Jerome. A new stock preparation building and equipment to supply requirements for the new machine, as well as a new finishing room equipped with a 100-inch trimmer, were built at St. Jerome.

Company notes these additions have increased capacity by about 50%, placing it in an excellent position to exploit the market when increased tonnage of paper can be sold.

Demand for fine papers in Canada last year, company states, continued strong until mid-year when a gradual reduction set in.

In 1957 company obtained the same percentage of available business as in the previous year. Virtually all production is sold on the Canadian market.

Increased capacity enabled company to build up inventories of finished paper in order to give better and faster service to its customers, President and General Manager Lucien G. Rolland says.

Increases in selling prices were offset by increases in the cost of labor, materials and freight.

In 1957 company's net profit was $476,260 compared with $704,946 in the previous year.

This represents earnings of $2.38 per class A share ($3.65 in 1956) and $1.98 ($3.25) on the class B, in both cases after taking participation feature into consideration.

At Dec. 31, 1957, authorized capitalization comprised $10 million first mortgage bonds of which $1,350,000 3¾% serial bonds (due Jan. 2, 1958-66) and $4 million 4½% sinking fund bonds were outstanding; $2.5 million 4¼% cumulative redeemable preferred stock ($100 par) of which $1.7 million was issued and outstanding; 200,000 class A participating shares (npv) of which 120,002 shares were issued and outstanding; 100,000 class B (npv) shares of which 60,001 were issued and outstanding.

Current assets Dec. 31, 1957, were $4,493,277 ($4,349,436 one year earlier) while current liabilities were $2,181,656 ($2,279,055) resulting in working capital of $2,311,620 ($2,071,943).

Westminster

Westminster Paper Co. produces a wide range of paper specialty products at New Westminster and Crabtree Mills, Que. Products include wrapping paper, decorative papers, plain and printed papers, water-marked papers, toilet and facial tissues, and many other special papers.

Company acquired the Crabtree mills plant from Howard Smith Paper Mills in 1957. The mill has a fine paper machine with 11,000-12,000 tons annual capacity and produces envelope, book, litho and other similar grades of paper.

For main write-up on Westminster, see Specialties and Board Section of this issue.

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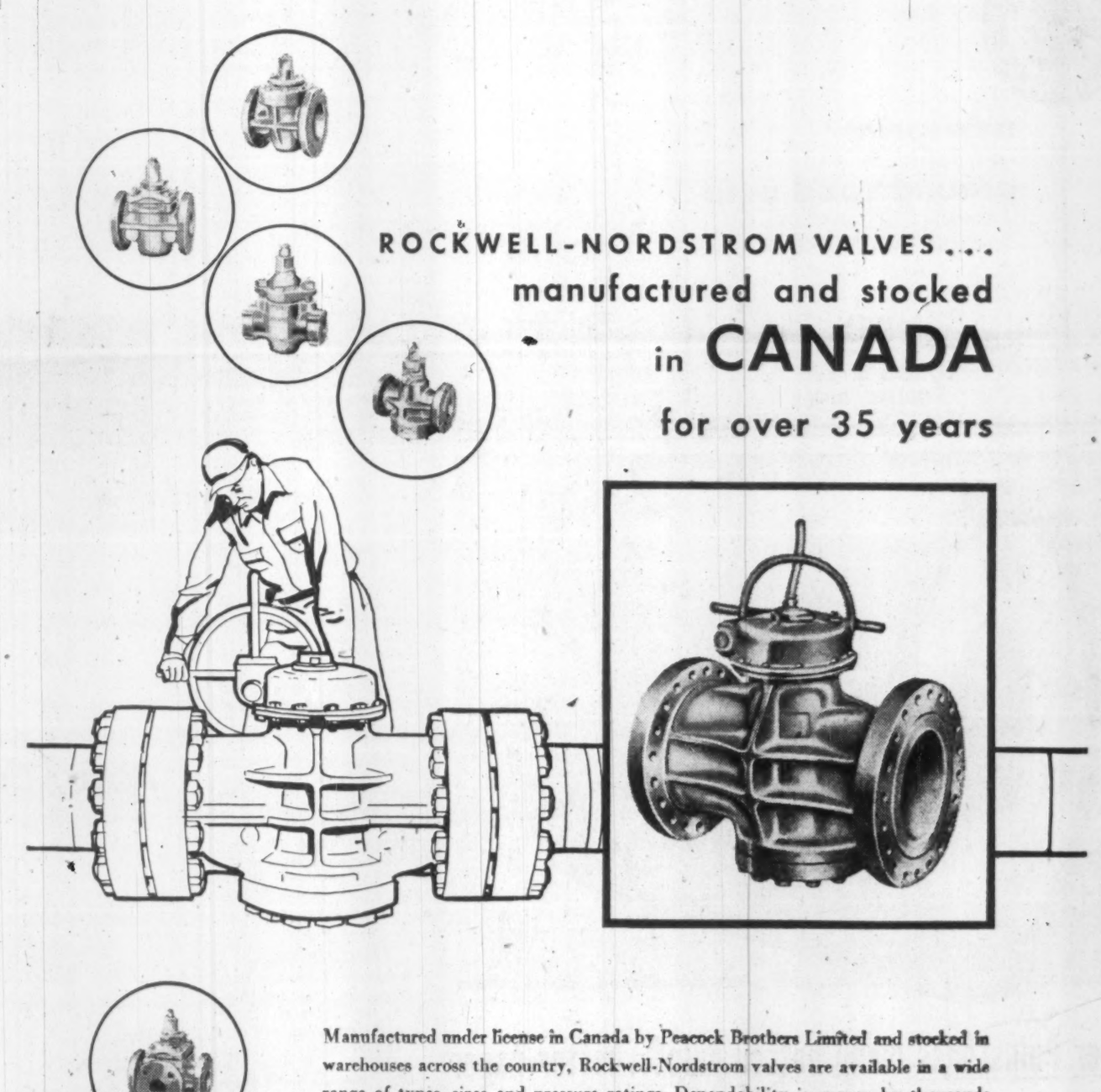

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Building Paper

Abitibi

Abitibi Power & Paper Co., Toronto, makes building and paper boards in addition to newsprint, sulphite, pulp, and other items.

Company's annual manufacturing capacity of 1.1 million tons includes facilities to produce 82,000 tons of building and paper boards per year.

Last year's production reached a new high of 69,103 tons of building and paper boards.

Company's mill at Sturgeon Falls, Ont., manufactures hardboard and a new particle board, "Platewood," for the furniture industry and other users.

Development of Platewood has led to increased utilization of large areas of hardwoods in the North Bay area which previously were of little use.

(For the main report on Abitibi see the newsprint section.)

Arborite

Arborite Co., a subsidiary of **Howard Smith Paper Mills Ltd.,** produces and sells decorative and industrial laminates.

Decorative laminates, marketed under the trade name "Arborite," include wallboard and table-top grades. Industrial laminates include all NEMA grades which are used extensively for electrical and mechanical applications.

Company was incorporated in November, 1947, and operations were commenced in a temporary pilot plant adjacent to the parent company's plant at Cornwall, Ont.

Operations were subsequently transferred to a new plant at Ville La Salle, Montreal, which was completed in the summer of 1958.

In 1956 company's manufacturing and storage areas were increased approximately 20%. Company also brought into operation a new department which faces aluminum extrusions with patterns to match Arborite designs.

In 1957 Arborite sales were greater than in the previous year in spite of lower activity in the building industry. This was due to greater acceptance and utilization for home renovations and other new applications, company officials say.

A new resin manufacturing section was installed to improve uniformity and quality of various paper base laminates. It will enable the plant to obtain resins with more desirable characteristics and formulations.

Company has also installed a large new four-ft. by ten-ft. laminating press to facilitate production of large panels. In addition the treater room was extended by some 9,000 sq. ft. for storage of raw materials.

In 1956 company's new industrial convolute tube and rod section was completed. Entire output along with industrial laminates is being marketed through **Diamond State Fiber Co.,** with which Arborite has a working agreement.

To expand sales in the U. S. company has an agreement with **Consolidated Water-Power & Paper Co.** of Wisconsin Rapids, Wis., for manufacture in the U. S. of a product similar to Arborite.

For this purpose a new company — **Consoweld Corp.** —was formed. Howard Smith owns 26% of the issued capital stock of this company and Consolidated Water Power & Paper the remaining 74%.

A modern manufacturing plant was put into operation at Wisconsin Rapids by Consoweld in 1954.

Operating results of Arborite are consolidated with those of Howard Smith Paper Mills Ltd., covered in the Fine Paper Section of this issue.

Building Products

Building Products Ltd. produces and markets a wide variety of materials for the construction trades, ranging from roofing and siding products for basic structural purposes through floor tile and decorative insulation.

At Pont Rouge, Que., company has a paper mill and auxiliary facilities to convert paper production into insulating board. A new board mill, completed in 1957, produces homogeneous decorative and acoustical board.

The Montreal plant includes a paper mill, insulated siding mill, roofing mill and facilities for the production of waterproof paints and cements. The paper manufactured here is used in roofing plants of the company in Eastern Canada, or is sold by other paper converters.

A roofing mill, as well as a redesigned flooring mill to produce asphalt and vinyl asbestos flortile which went into production this year, are located at Hamilton.

At Winnipeg, company operates a paper mill to supply the requirements of the roofing, insulating board and siding mills located there. A substantial tonnage is sold to other paper converters.

The Edmonton plant comprises a roofing mill which supplies the provinces of Alberta and British Columbia, and a paper mill producing dry felt for conversion in the roofing mill as well as a variety of papers for use in manufacture of containers, gypsum wallboard, etc.

In 1957 net profit was $1,699,219, or $3.52 per common share. This compares with $2,054,074 or $4.25 per common share in 1956.

In 1957 net sales declined about 2%. A reduced rate of house building in 1957 was only partially offset by a high rate of activity in commercial, industrial and institutional building.

Profits were also affected adversely by increased corporation taxes in Ontario, heavy start-up expenses on new plants, and some deterioration of price due to intensified competition.

The annual report foresaw the rising trend of housing starts apparent at the end of 1957 would continue well into 1958. Starts in the first six months have surpassed all former records. It is understood that sales of roofing products have followed a similar trend but that lower prices have tended to offset the benefits of the greater volume.

During 1957 net additions to fixed assets amounted to $1,399,889 and consisted principally of the new tile plant at Hamilton. At Dec. 31, 1957, unexpended balance on all approved capital projects amounted to approximately $165,000.

Capitalization at Dec. 31, 1957, comprised 650,000 npv shares of which 483,384 were issued and outstanding. Current assets at $9,044,157 ($9,170,986 in 1956) compared with current liabilities of $2,036,585 ($2,409,834) resulted in working capital of $7,007,572 ($6,761,152).

Donnacona

Donnacona Paper Co., Donnacona, Que., has manufacturing facilities which include an insulating board mill with an annual capacity of some 100 million sq. ft. Control is held by **Howard Smith Paper Mills.**

Products of the board mill include rough cast and laminated insulating boards; roof insulation and plaster lath; rough cast, smooth, colored board; burl board for interior finishes; decorative specialties; Donnacousti sound-absorbing ceiling tile; asphalt-impregnated board; refrigerator and special industrial board; termiteproof board; hard-pressed board and tile.

New finishing facilities were installed last year for the board machine.

These include special saws for panel board processing, a high-speed double beveler for insulating tile, an automatic tile packaging system and a dust collecting system.

For main report on this company see Newsprint Section.

Int. Fibre Bd.

International Fibre Board Ltd. is a subsidiary of **Canadian International Paper Co.** and manufactures "Ten/Test" insulating board, a wood fibre product.

Plant at Gatineau, Que., produces some 135 million sq. ft. annually. This includes "Ten/Test" insulating panels, roof board, asphalt sheathing, ceiling tile and Acousti Blocks. Distribution of these products is made by **International Panel Boards Ltd.,** another subsidiary of CIP.

Capitalization comprises $1.5 million of cumulative $100 par first preferred outstanding, and 10,000 (n.p.v.) common shares.

Company has a subsidiary, **TenTest Fibre Board Co.**

Operating figures are consolidated along with those of **International Paper Co.**

(Continued on page 75)

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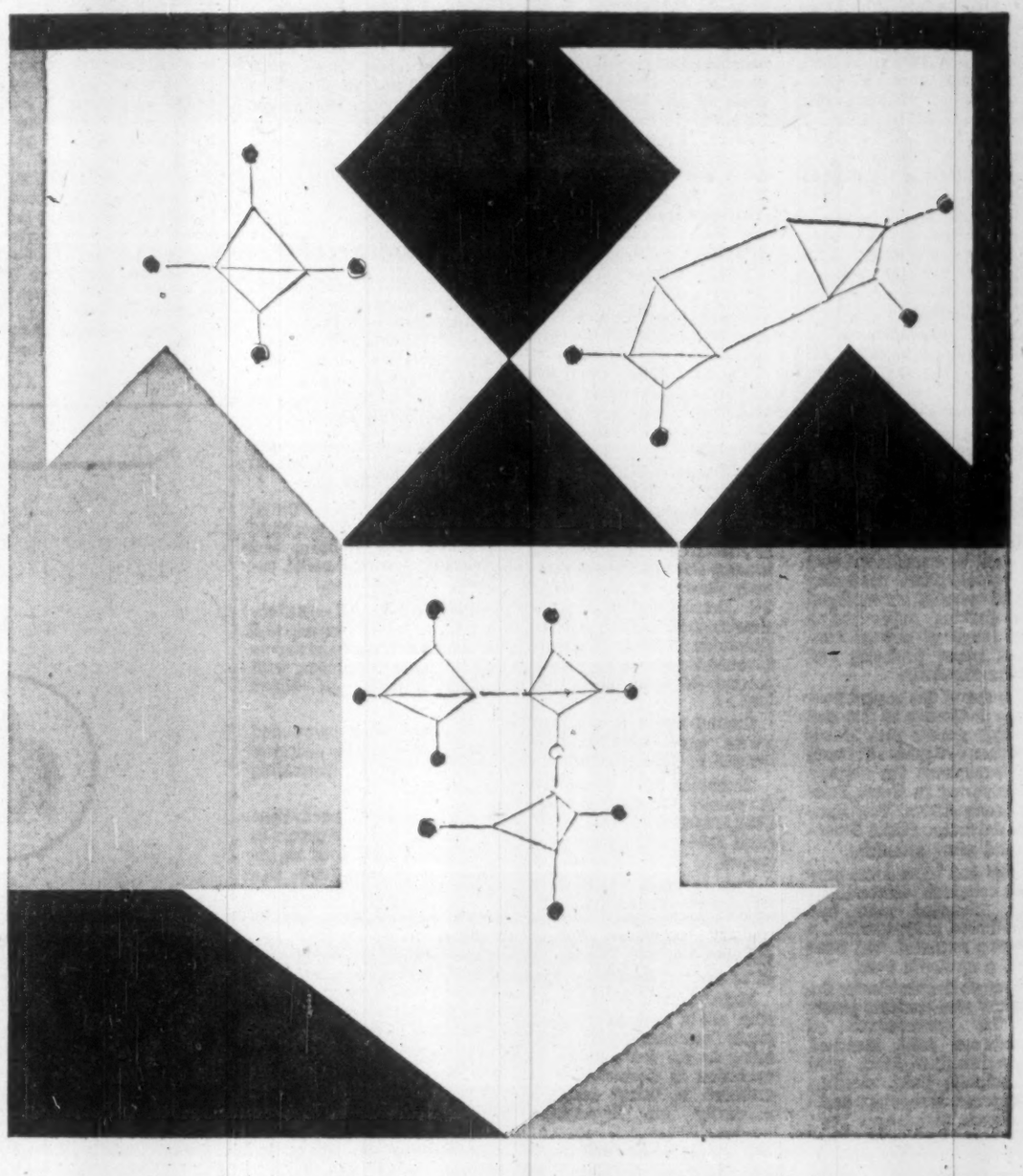

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Building Paper

(CONTINUED FROM P. 74)

Masonite Co.

Masonite Co. of Canada is a joint undertaking of **Canadian International Paper Co.** and **Masonite Corp.**, formed in 1939.

It manufactures all grades and types of hardboard products for sale in Canada and export markets. Production of the Gatineau plant is approximately 115 million sq. ft. per year of all kinds and grades of "Masonite" brand board, consisting of Masonite Presdwood, both standard and tempered; Quarterboard; Temprtile, and Century of Progress Flooring.

The Gatineau plant has been in operation since 1940.

Authorized and outstanding stock includes one million shares (npv) half of which are owned by Canadian International Paper Co.

Individual financial and operating statements are not published.

Sidney Roofing

Sidney Roofing & Paper Co., Burnaby, B.C. (until June of this year head office was located at Industrial Reserve, Victoria, B.C.), manufactures Duroid asphalt shingles, insulated sidings, roll sidings, roll roofing (plain and mineral-surfaced), building papers, plain and saturated building papers, built-up roofing materials, mineral wool, asphalt preservative coatings and cements, paperboards and cartons; and offers printing and lithographing services.

Plants are in Victoria, Vancouver and Burnaby, all in B. C.; Lloydminster, Alta.; Mimico, Ont.; Portneuf Station, Que. Sales offices are in 12 cities across the country.

Over 90% of company's capital stock, including all its outstanding Class B (voting) shares, is owned by **Eddy Paper Co.**

Acquisition of **Bulman Bros. B. C. Lithographing & Printing Ltd.** in 1956 as a wholly owned subsidiary of **National Paper Box Ltd.** has enabled company's converting division to provide a complete service to the packaging industry. Other subsidiaries include: **Vancouver Paper Box Co., Sidney Products Ltd., Bishop Asphalt Papers Ltd. and Portneuf Investments Ltd.**

Strong competitive conditions were experienced throughout 1957.

Construction of the first phase of the B. C. mainland expansion and relocation program continued through the year at a rapid pace, and in November the new paperboard machine, referred to as No. 4, was put into full-time operation.

The second phase of the program involving a roofing plant warehouse and the administration building is completed and occupied.

The balance of the program consisting of the relocation of the Victoria roofing plant and paper machines is in the planning stage and actual construction of buildings to house this equipment has been started. The completion date for the present planned program is scheduled for mid-1959.

Consolidated sales for 1957 equaled those for 1956 with the inclusion of the volume of Bulman Bros. B. C. Lithographing & Printing Ltd. for the full year.

Sales volume in the roofing divisions of the company showed an over-all increase in 1957, mainly in the western branches.

Appraisals recorded in the accounts at Dec. 31, 1956, were eliminated in 1957 restoring fixed assets to cost values. Accumulated depreciation was adjusted to reflect depreciation charges based on costs for the years 1954, 1955 and 1956. References to depreciation and profit in these years reflect the adjustment.

Consolidated net income for 1957 amounted to $708,433, compared with the adjusted profit figure of 1956 of $760,305. (In the annual report for 1956, profit was shown as being $647,145.)

Heavy capital expenditures in the closing months of last year radically reduced working capital. As part of its expansion program Sidney issued, early in 1958, $3 million first mortgage and collateral 5¾% bonds, 1958 Series. Net proceeds were applied toward repayment of outstanding bank indebtedness and the balance added to general funds.

Capital expenditures required to complete projects planned or in progress at Dec. 3, 1957, are estimated to be $2,995,000. Approximately $2,194,000 will be expended in 1958, of which $1,900,000 will be required for the mainland expansion and relocation project.

Paperboard and converting divisions anticipate 1958 volumes at least equal to those enjoyed in 1957.

Capitalization outstanding at end of 1957: $2 million 4½% serial bonds due Sept. 1, 1958-65; $5 million 4½% sinking fund bonds due Sept. 1, 1975; 50,000 class A of $1 par value; 100,000 class B shares npv.

The Pulp Picture

	Production		Exports	
	000 tons	$000 value	000 tons	$000 value
1920	1,960	141,553	820	76,384
1930	3,619	112,356	760	39,060
1940	5,291	149,005	1,069	60,930
1950	8,473	502,584	1,846	208,556
1955	10,151	693,403	2,366	297,304
1956	10,734	706,233	2,374	304,536
1957	10,401*	n.a.	2,283	292,406

*Estimated by Canadian Pulp and Paper Association.

Paper Containers

(CONTINUED FROM P. 72)

Bros. (B.C.) Lithographing & Printing Ltd. to give the company fully integrated converting facilities. Bulman Bros. now operates as a subsidiary of another wholly owned subsidiary, **National Paper Box Ltd.**, Vancouver.

Other subsidiaries include: **Vancouver Paper Box Co., Bishop Asphalt Papers Ltd., Sidney Products Ltd.**, and **Portneuf Investments Ltd.**

Capital spending in 1957 amounted to more than $6.2 million of which some $5.9 million was for the relocation and mainland expansion program.

The new plant is being built on a 75-acre site at Burnaby, B.C. and will cost about $10 million on completion in mid-1959. Already in operation is a completely new 120-in. paperboard machine with maximum daily capacity of 135 tons.

Company's new head office building was completed on the Burnaby site last spring. The roofing plant will be moved from Victoria late in 1958.

For main write-up on company, see Building Paper Section.

St. Regis

St. Regis Paper Co. (Canada) Ltd., a wholly owned subsidiary of **St. Regis Paper Co.**, New York, manufactures multiwall paper bags for industrial packaging of a wide variety of commodities.

Plants are located at Cap de la Madeleine and St. Lambert, Que., Dryden, Ont., and Vancouver, B.C. and use kraft paper produced in Canada. Company operates a machine shop in Montreal which provides packaging machinery service and also manufactures wire ties.

Timberlands in Quebec, New Brunswick and Nova Scotia total 296,426 acres.

Use of polyethylene coated paper in multiwall bags is continuing to increase. Company's multiwall packaging division now ranks among the largest producers of polyethylene coated paper in the world. It produces this paper at its plants in Quebec and British Columbia.

Demand for high speed filling and weighing machines manufactured by the company for packing multiwall valve and open mouth bags has increased considerably and this trend is expected to continue. Co-ordinated packaging systems are being widely used throughout Canada and many new machines are being installed in a variety of industries.

Company maintained its sales and earnings at encouraging levels in 1957, according to parent company's annual report.

J. C. Wilson

J. C. Wilson Ltd. manufactures and distributes paper and paper products including wrapping paper, paper bags, folding boxes, shipping tags as well as distributing paper and paper products of other manufacturers.

Company operates a paper mill, bag-making and paper box plant at Lachute, Que., using about 6,700 tons of groundwood, sulphite and kraft annually.

Late in 1957 directors authorized capital expenditures of $250,000 for additions and improvements to paper-making facilities. A further $50,000 for this purpose was authorized this year. Changes are scheduled for completion early in 1959.

Operations of two Ontario subsidiary companies, **Ratcliff Paper Co.** and **Windsor Paper Co.**, were merged with those of J. C. Wilson Ltd., Dec. 31, 1957.

The plant improvements, internal reorganization and consolidation involved substantial expenditures from which company probably will not derive full benefits until 1960.

Net profit for 1957 was $80,399 against $150,912 in 1956. Decrease is attributed to increased costs of goods sold and increased administration expenses.

These expenses included payments to outside consultants and cost of implementing their recommendations which, when in full operation, should result in improved efficiency.

Capitalization comprises 205,700 npv common shares of which 165,750 are issued and fully paid.

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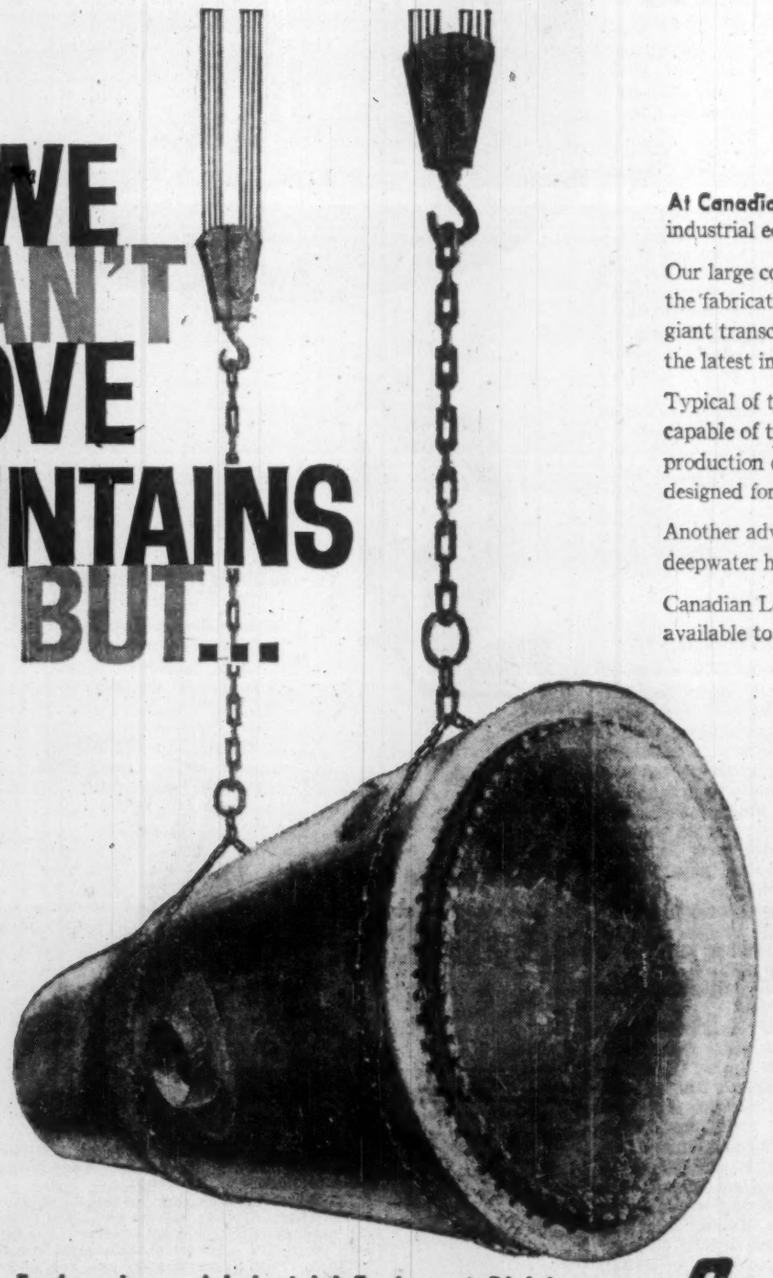

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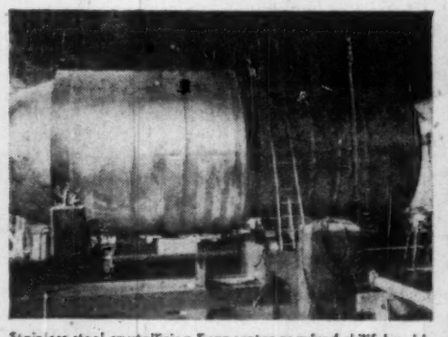

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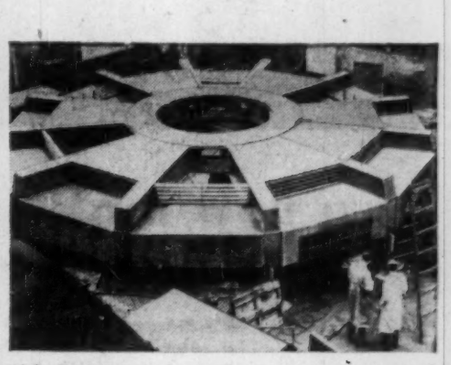

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Canadian Locomotive Co. Limited
KINGSTON, ONTARIO

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Specialties, Board

Abitibi

Abitibi Power & Paper Co., Toronto, in addition to newsprint, sulphite, pulp, etc., also makes paperboard, wrapping paper and many other items.

Company's mill at Sturgeon Falls, Ont., has a rated capacity for 1958 of 40,040 tons of corrugated board. The board mill at Iroquois Falls, which has an annual capacity of 13,860 tons, also produces wrapping paper.

Production of building board and paperboard in 1957 totaled 69,103 tons, compared with 65,185 tons in 1956.

(For the main report on Abitibi, see the newsprint section.)

Anglo-Canadian

Anglo-Canadian Pulp & Paper Mills Ltd. produces paperboard and wrapper.

Company's board machine has a capacity of 75 tons per day or 23,000 tons annually. It was installed in 1950.

Total production is sold to Canadian manufacturers of boxes and other packaging materials.

In 1957 paperboard production at 21,840 tons was 2.6% lower than 22,434 tons in the previous year.

For main write-up on this company see Newsprint Section.

Bathurst

Bathurst Power & Paper Co. through its Mills Division manufactures paperboard and pulp products, principally folding and setup boxboard, kraft linerboards, BCM (Bathurst Corrugating Material), unbleached sulphite pulp and groundwood pulp.

Products of the Mills Division are marketed by a wholly owned subsidiary, **Bathurst Paper Sales Ltd.**, with sales offices in Montreal and St. Laurent, Que., and Toronto, Ont., and overseas representatives in London; Sydney, Australia and Auckland, New Zealand. In 1957 a wholly owned subsidiary, **Bathurst Paper (Britain) Ltd.**, was incorporated in England, represents Bathurst Paper Sales in United Kingdom and Western Europe.

A wholly owned subsidiary, **Bathurst Containers Limited**, operates as the Container Division of the parent company and converts products of the Mills Division into corrugated boxes and allied products.

Mills operated by the company are located in Bathurst, N.B. Rated annual capacity is 33,000 tons of boxboards, 135,000 tons of kraft linerboards and BCM (Bathurst Corrugating Material) and 24,000 tons of unbleached sulphite pulp.

Company recently announced addition of a second specialty cylinder machine which will provide further capacity of 25,000 tons of boxboard annually. Installation has started and production is to commence in April, 1959.

In 1957 production of container boards at 91,485 tons was 26,433 tons below production in 1956, the reduction being caused by a reduced volume of sales to customers and deliveries to the container plants.

Production of boxboards declined by 7,289 tons from the record of 25,624 tons in 1956. Total combined production of industrial paperboards and of pulp for sale decreased by 33,772 tons to 124,778 tons compared with record 158,550 tons in 1956.

Company's output of boxboards, kraft linerboards and corrugating material is sold principally in the domestic market and for export to U. K., Western Europe and Australasia. A substantial proportion of container boards is used by the container plants of Bathurst Containers Ltd. Unbleached sulphite pulp is exported mainly to U. S.

Bathurst and its wholly owned subsidiary, **Cascapedia Manufacturing & Trading Co.** hold under crown licenses from New Brunswick and Quebec approximately 2,700 sq. miles of timber limits estimated to supply wood requirements of the mills in perpetuity.

In addition company owns about 14,000 acres of freehold forest land where experimental forest farming and related investigations can be extended in the search for improved forest management and utilization techniques.

Company also operates a hydro-electric plant at Grand Falls on the Nepisiquit River in New Brunswick, with an installed capacity of about 14,500. Other power sites in the same river, estimated to be capable of developing 40,000 hp, are held or controlled by the company. At the mills themselves, company has installed steam generating units having a rated capacity of about 26,900 kva.

Consolidated net sales of Bathurst Power & Paper Co. amounted to $34,390,229 in 1957 compared with $37,116,355 in 1956.

Consolidated net profit at $1,543,172 was down from $3,043,752 in 1956. This represents earnings of $3.03 per Class A share (maximum participating $4) and $1.03 per Class B share (after minimum $2 to Class A) in 1957 compared with $4 (maximum participating) on Class A and $4.44 (after minimum $2 to Class A) on Class B in 1956.

Although second quarter results this year showed marked improvement over those of the first quarter, estimated net profit for the six months ended June 30 was $592,808 against $841,858 for the like period of 1957.

This represents a reduction of 29.6%. Current operations indicate some improvement but continue to remain under 1957 levels.

Capitalization Dec. 31, 1957, comprised $7,700,500 in long-term debt of the company and its subsidiaries ($8,264,500 in 1956); 750,000 Class A shares (npv) authorized of which 400,000 were issued and outstanding and 500,000 Class B shares (npv) of which 325,000 were issued and outstanding.

Current assets were $17,285,078 ($18,542,328 in the previous year), while current liabilities were $5,491,758 ($6,873,607) resulting in working capital of $11,793,320 ($11,668,721).

For further reports on Bathurst companies see Wood Pulp and Paper container sections.

Brown Co.

Canadian properties of **Brown Co.** — owned by subsidiary **Brown Corp.** — were acquired by **Canadian International Paper Co.** on Dec. 1, 1954. Properties included the LaTuque, Que., pulp mill which at time of purchase had a capacity of 175,000 tons of premium kraft pulps (of which 165,000 tons were high grade bleached kraft pulps) and 2,453,973 acres of timberland.

Purchase price was $39,250,000 exclusive of certain adjustments paid from cash resources.

Since selling its Canadian assets, Brown Co.'s objective has been both to improve its operations at Berlin, N.H., mill and replace earning power lost through the sale by acquisition of assets in other locations. Extensive modernization has taken place.

In the first half of 1958, the general business recession caused a sharp drop in sales and earnings. Net sales for the 28 weeks ended June 14, 1958, totaled $27,920,777, a reduction of 18.8% from $34,376,919 reported for the first half last year.

Net income for the 28 weeks ended June 14, 1958, was $43,235 compared with $1,053,154 in corresponding 1957.

Although the drop of 18.8% in sales volume was by far the most important factor, other factors such as heavier depreciation charges resulting from last year's plant replacements and additions, had a bearing on reduced earnings.

A vigorous cost reduction campaign succeeded in offsetting some of the effects of the drop in sales, and will assist in improving earnings when sales volume has recovered, company says.

During the second quarter there was improvement in costs and earnings sufficient to offset the first quarter loss.

A mid-year sales uptrend was expected to continue.

Brown says it has been developing a number of new, more diversified paper and pulp products, which show good promise of overcoming the sales drop and establishing a more stabilized earnings position for the future.

Some of these products are now producing substantial sales volume. An example of this is a new offset printing paper, steadily growing in volume.

Net profit for fiscal year ended Nov. 30, 1957, was $2,080,305 compared with $2,611,504 the previous year.

Net sales totaled $61.2 million in the most recent year compared with $59.7 million the year before, the increase resulting from the fact that 1956 sales of plywood subsidiaries were included for only six months instead of 12.

Working capital at Nov. 30 last was $12.6 million against $18.5 million a year earlier. The drop was attributed to investment of cash in plant replacement and improvement.

Capital expenditure last year was $7.9 million, including a magnesium cooking and recovery system for the sulphite pulp mill.

Outstanding capitalization at Nov. 30 included $4.9 million 4½% debentures due 1975, and 2,588,651 common shares, $1 par.

Canada Paper

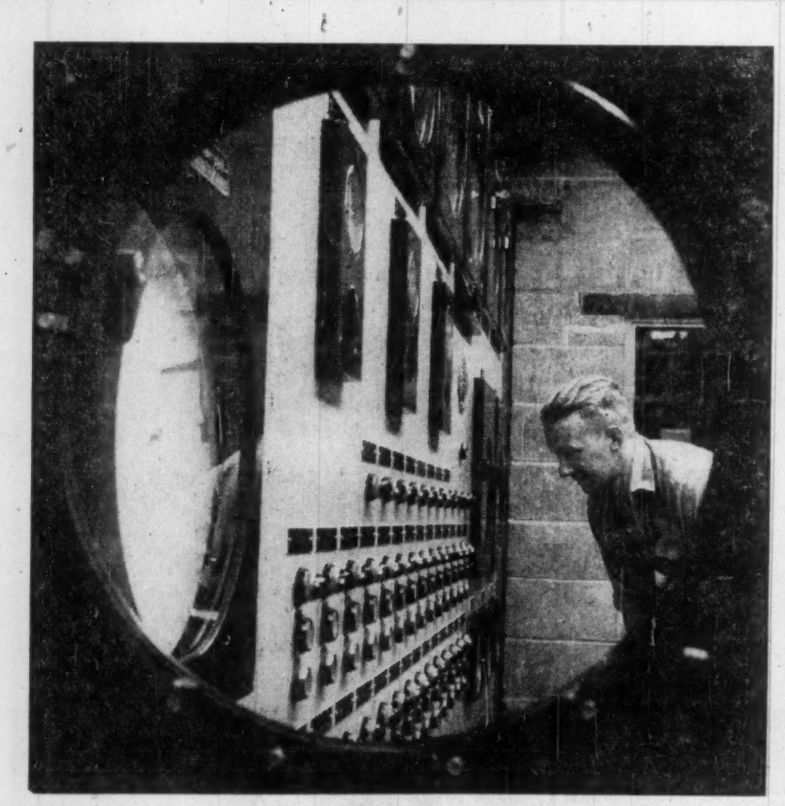
Canada Paper Co., a wholly owned subsidiary of **Howard Smith Paper Mills Ltd.**, produces newsprint, kraft, wrapping, rotogravure, envelope papers, box cover papers, paper bags and a wide range of converted products including creped and crinkled papers, towels, waterproof building and wrapping papers and many specialties.

Company's plant at Windsor Mill on the St. Francis River in Quebec includes a kraft pulp mill, a two-machine paper mill and a converting plant.

The St. Francis Mill, about one half mile up river from Windsor Mills, has three paper machines. Annual capacity figures for the two plants are consolidated with those of Howard Smith.

Company's subsidiaries include **Schofield Paper Co.**, N.B., operating a wholesale warehouse in Saint John and Halifax and dealing in high trade papers, wrapping, twine, newsprint, ruled forms, toilet papers, bags, etc., and **Kilgour's Ltd.** — operating wholesale warehouses in Montreal, Toronto, Hamilton, London, Ottawa, Winnipeg, Fort William, Regina

(Continued on page 77)



a new look at DRYDEN

The Dryden Paper Company Limited plant wears a brand new look these days.

With its expansion program well advanced, Dryden, a subsidiary of Anglo-Canadian Pulp and Paper Mills, Limited, has now started production of bleached kraft pulp, a basic high quality raw material for packaging and allied fields.

The new bleaching plant will have a capacity of 100,000 tons a year. In addition, Dryden continues to produce the pure kraft pulp and kraft wrapping papers for which the Dryden name has long been known favourably.

Bleached kraft pulp thus joins the other members in the family of Anglo products—newsprint, sulphite pulp, card and box boards.

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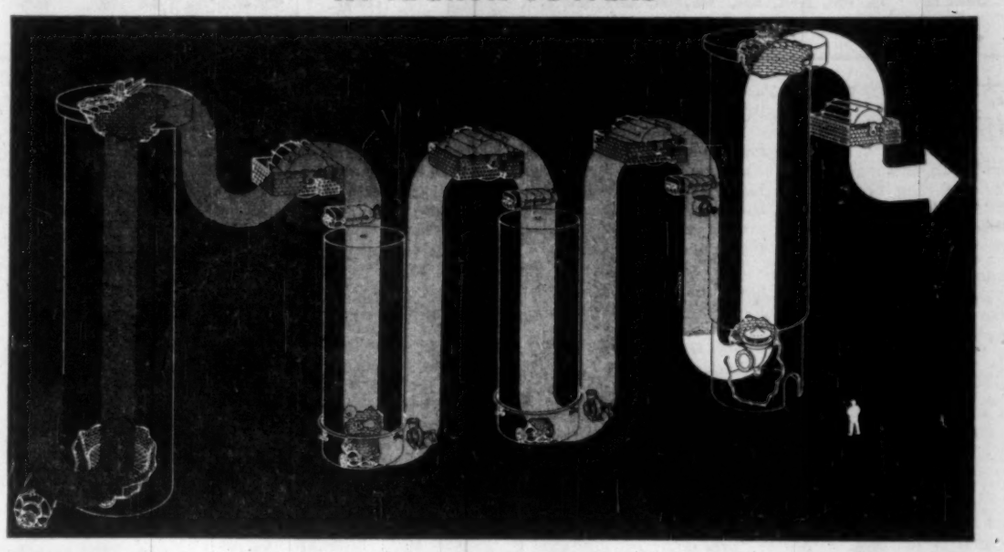

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- Kamyr Radial Flow Mixers produce thorough mixing of stock and chemicals even at high consistencies.
- Kamyr's pre-impregnation of high density pulp is recognized as ideal for high grade dissolving pulp.
- Kamyr's Upflow chlorination tower was the pioneer in its field, is production-proven.
- Kamyr achieved the intense mixing required for chlorine gas in the tower bottom.
- Kamyr high density downflow tower is in standard use in the industry.
- Kamyr Vacuum Washers require only short droplegs and have positive vacuum break at discharge roll, perforated plate deck and anti-friction bearings throughout.
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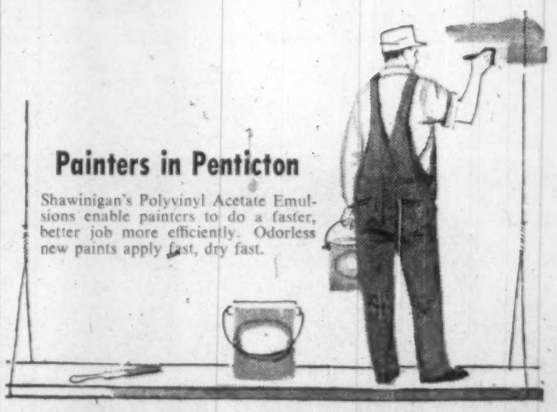

Painters in Penticton

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Home-makers in Halifax

Dish-washing is easier and faster today, thanks to Shawinigan's Monochloroacetic Acid, a detergent-ingredient that insures cleaner dishes and softer hands.

Shoppers in Saskatoon

Vital to the production, dyeing and printing of textiles is Acetic Acid, produced by Shawinigan.

Grocers in Guelph

By producing Dibutyl Phthalate, Shawinigan helps grocers present attractive displays. This organic chemical improves the texture and durability of "Cellophane" wraps.

In their laboratories, Shawinigan's men of science labour to develop new chemical products for industry, exciting new uses for existing products and new chemical processes to improve industrial efficiency and economy.

As Canadian industries reap the benefits of this research, Canadians in every walk of life benefit in turn. For we find the application of these industrial chemicals everywhere . . . in the manufacture of fabrics and lacquers . . . in the food industry . . . in agriculture. And with each progressive development, Shawinigan research continues . . . insuring Canada of an industrial future greater than the past, and holding forth the promise of a richer, fuller life for all.

SHAWINIGAN CHEMICALS LIMITED

HEAD OFFICE: SHAWINIGAN BUILDING, MONTREAL, QUEBEC, CANADA

PLANTS: SHAWINIGAN, QUEBEC, CANADA

Specialties, Board

(CONTINUED FROM P. 76)

and Saskatoon — and dealing in bags, wrapping paper, twine, paper and paper boxes, etc.

Another subsidiary is **MacGregor Paper & Bag Co. Inc.**, with branches in Montreal, Toronto, Quebec City, Saint John, Halifax, Sydney — wholesale merchants of wrapping, tissue and specialty papers, bags, twine and paper cups.

At St. Francis Division last year the performance and versatility of No. 6 paper machine was improved by modifications and additions to the drive and installation of a new battery of stock refiners.

More efficient finishing and shipping operations have resulted from addition of 50,000 sq. ft. of new floor space.

At Watapeka Division a large, new drum barker was installed to replace two obsolete units and provide extra capacity.

To protect the St. Francis River from bark debris, a complete bark burning system was installed.

In the Converted Products Division the plant was expanded by 10,860 sq. ft. to accommodate additional bag-making machines. A program of electrical rehabilitation begun several years ago is near completion.

Financial and operating statistics are consolidated with Howard Smith—see Fine Papers Section.

Cdn. Int. Paper

With the acquisition from **Brown Corp.** in December, 1954, of a large mill at La Tuque, Que., **Canadian International Paper Co.** entered the kraft pulp field.

Following completion in March, 1956, of a $20 million expansion program at La Tuque, including installation of a 276-inch machine, the mill now produces bleached and unbleached kraft pulps, kraft linerboard, kraft corrugated paper, kraft paper and bleached kraft board and bleached food board, and has an over-all rate of capacity of 975 tons per day, unbleached basis. Present production is 530 tons per day of bleached pulp, 325 tons per day of bleached pulp, 325 tons per day of board and paper and 250 gallons of turpentine. The equipment consists of two Minton driers, two Sherbrooke driers, three hydraulic machinery driers and the board and paper machine.

Wood for the La Tuque operation is obtained from nearly 5,000 sq. miles of woodlands in the Upper St. Maurice Valley, part of which are freehold, the balance being harvested on a lease arrangement with the Provincial Government. Power is obtained from **Shawinigan Water & Power Co.**

For main report on Canadian International Paper, see Newsprint Section of this issue.

Cdn. Glassine

Canadian Glassine Co. manufactures glassine and greaseproof papers in plain and laminated form at its Limoilou plant near Quebec City.

It is 70% owned by **Deerfield Glassine Co.**, Monroe Ridge, Mass., and 25% by **Anglo-Canadian Pulp & Paper Mills Ltd.** The remaining 5% is privately held.

There has been steadily increasing demand for company's products since 1953 when mill started.

Now it has been decided to install a second paper machine. It will be substantially wider than the one in operation and will more than double present capacity.

Company will continue to specialize in glassine and greaseproof papers but added capacity will enable it to develop grades for new end uses as need arises.

Construction of a new building has been started and installation of equipment is expected to be completed by next spring.

Financial statements are not available.

Cdn. Wallpaper

Canadian Wallpaper Manufacturers Ltd., Toronto, together with its subsidiaries, is the largest producer of wallpapers in Canada. Trade names include Waterfast, Durawall, Permaplast, Sunworthy and Semi-Trimmed.

Company has two wholly owned subsidiaries, **Dominion Colour Corp.** and **Empire Wallpaper & Paint Ltd.**

Operation of the company's wallpaper division underwent substantial changes during the past year. To equalize fluctuations caused by offering a new line of wallpaper every two years, as in the past, number of styles offered this year was reduced with the intention of putting out new papers each year.

Production has been concentrated at Canadian Wallpaper's New Toronto plant, which as a result of alterations and extensions is now the largest wallpaper-producing unit in North America.

Company's plant at Leaside has now been completely vacated and the property offered for sale.

In the past year, company's prepasted papers have met with increased acceptance. Sales to the U. S. have also increased.

Results of wholly-owned subsidiary Dominion Colour Corp. have shown a steady improvement, company says. A new line of chrome colors has been well received by the trade.

Company's other wholly owned subsidiary, Empire Wallpaper & Paint Ltd., incurred a trading loss during the year due largely to the unprofitable results of several stores acquired at the end of the previous fiscal period.

Empire plans to open further retail stores and change the location of some existing stores where this is considered desirable.

Consolidated net profit for the fiscal year ended April 30, 1958 was sharply higher at $185,832 ($60,737 in previous year). Earnings on the A and B stock were equal to $1.44 (47c) per share and dividends amounted to 40c (20c) per share.

Capitalization outstanding at April 30, 1958, included $60,000 4% serial debentures, due Aug. 1, 1959-60; $500,000 5% debentures due Aug. 1, 1961; 25,773 class A shares, no par and 103,473 class B shares, no par.

Consol. Paper

Consolidated Paper Corp. is an important producer of kraft paper and board in addition to company's newsprint and pulp operations.

Daily rate of capacity of company's Laurentide Division, Grand'Mere, Que., and the Wayagamack division, Trois Rivieres, Que., is 57 tons of board and wrapper and 210 tons of kraft paper. Annual capacity is 64,680 tons of kraft paper and 17,556 tons of board and wrapper.

Company's kraft paper is sold under the tradename of "Wayagamack Pure Kraft," is supplied in brown, white and colors, and used for wrapping and converting purposes.

It is also converted into paper bags of many kinds such as grocery, millinery and cleaner bags as well as office folders, tags, gumming, waterproofing, waxing and crepeing papers.

A considerable tonnage is used in manufacture of multi-wall paper sacks for cement and other rock products, flour, sugar, chemicals and fertilizers. Tissue-papers are also made in white and colors for wrapping, crepeing, waxing, twisting and foil backing, etc.

Company's cardboard is sold under the trade name of "Laurentide Board" and used in the manufacture of cardboard boxes, composition wallboards and as mounting boards for displays and many other purposes.

Consolidated net profit for the six months ended June 30, 1958, was $6,446,506 down 6.6% from $6,902,015 in the first half of 1957. Pulp and Paper production sold in 1957 totaled 856,339 tons, down 5.6% from 906,673 tons in the previous year.

For main write-up on this company see Newsprint Section.

Cr. Zellerbach

Crown Zellerbach Canada Ltd., subsidiary of **Crown Zellerbach Corp.**, San Francisco, manufactures kraft pulp, newsprint, paperboard, and a wide variety of specialty products.

Company is building a corrugated box factory and storage warehouse at Kelowna, B.C., to improve service to the Okanagan Valley fruit industry.

In 1957 company's box factory recorded one of the busiest years in its history. Largest volume items were cartons for the fruit, fishing and brewing industries.

In the converted products field, the introduction of Zee paper products to the consumer market of British Columbia added to the Richmond plant's output.

However, production in lumber, plywood and shingle mills was cut back because of weakening markets. Compared with 1956, lumber production at Fraser mills was down 5.4%, plywood down 7.9%, shingles down 1.4%.

In Richmond, B.C., just a little more than a year after the converting plant and box factory were opened, 45,000 sq. ft. of floor space has been added to accommodate the company's Bartram Specialty Packaging Division, transferred from Vancouver for closer integration.

For main article on Crown Zellerbach Canada, see Newsprint Section.

Dom. Cellulose

Dominion Cellulose Ltd., Toronto, and its associated company, **National Cellulose of Canada Ltd.**, manufacture facial tissues under the brand name "Face-elle" and "Nancy" brand toilet tissues.

Companies also produce "Tarno" tissue for protecting silverware from tarnish and scratches and several other specialty papers in the creped tissue field.

A new paper machine which is being installed in an addition to company buildings is expected to increase productive capacity by more than 50%.

Dominion Cellulose is a private company and does not make financial details available for publication.

Dom. Envelope

Dominion Envelope Co., Toronto, manufactures envelopes, specialty bags and converts all types of packaging materials including Cellophane and polyethylene. Production is around 600 million envelopes and specialty bags a year.

Company operates a new 115,000 sq. ft. plant on an 11-acre parkland site in Toronto. Plant employs about 140 persons and is said to be the best equipped paper converter in Canada.

Company has had a profit-sharing plan in effect since 1950 and in recent years payments have been the equivalent of five to six weeks' pay for all participants.

Sales are currently running at the rate of $2.5 million a year, company reports. Financial statements are not published.

Dryden Paper

Dryden Paper Co. manufactures kraft pulp and kraft paper products consisting of wrapping papers, bag papers, gumming, envelope, waxing, carliners, waxed kraft, building papers, liner board and corrugating medium at Dryden, Ont.

Capacity is now about 142,000 tons of kraft pulp annually of which approximately 92,000 tons can be made into bleached kraft pulp and 50,000 tons can be converted into finished kraft and paper products.

Finished production in 1957 was 92,672 tons, compared with 76,164 tons in the previous year.

During the year company completed a development program started in 1955 which raised kraft pulp capacity to 142,000 tons.

Company holds interests in **Woods-Dryden Paper Bags Ltd.** of Winnipeg and in the **Ormiston Mining & Smelting Co.**, a salt cake-producing company at Ormiston, Sask. Company's interest is 40% in Woods-Dryden and 12% in Ormiston.

Dryden is a subsidiary of **Anglo-Canadian Pulp & Paper Mills Ltd.**

In 1957 Dryden had a net loss of $609,075 compared with a profit of $186,599 in the previous year. Sales figures were not disclosed.

E. B. Eddy

E. B. Eddy Co., founded in 1851, makes and distributes a large range of products including printing and converting papers, household products, grocery bags, industrial products. It's also a substantial newsprint and paperboard producer.

Sales in all operating divisions were slightly lower in 1957, with the exception of newsprint which had experienced curtailed output in 1956 because of a fire.

Shipments in 1957 were second highest in company's history, exceeded only by record 1956. In this respect, experience was similar to that of the pulp and paper industry generally.

Company says hot competition (and demands for ever-rising standards of product quality) has resulted from industry increases in productive capacity unaccompanied by a rise in demand.

The further improvements made in several of the paper machines have resulted in most of the advantages anticipated. When the new Yankee paper machine comes

(Continued on page 78)

Price Brothers & Company, Limited

Founded 1816

Price Brothers Sales Corporation

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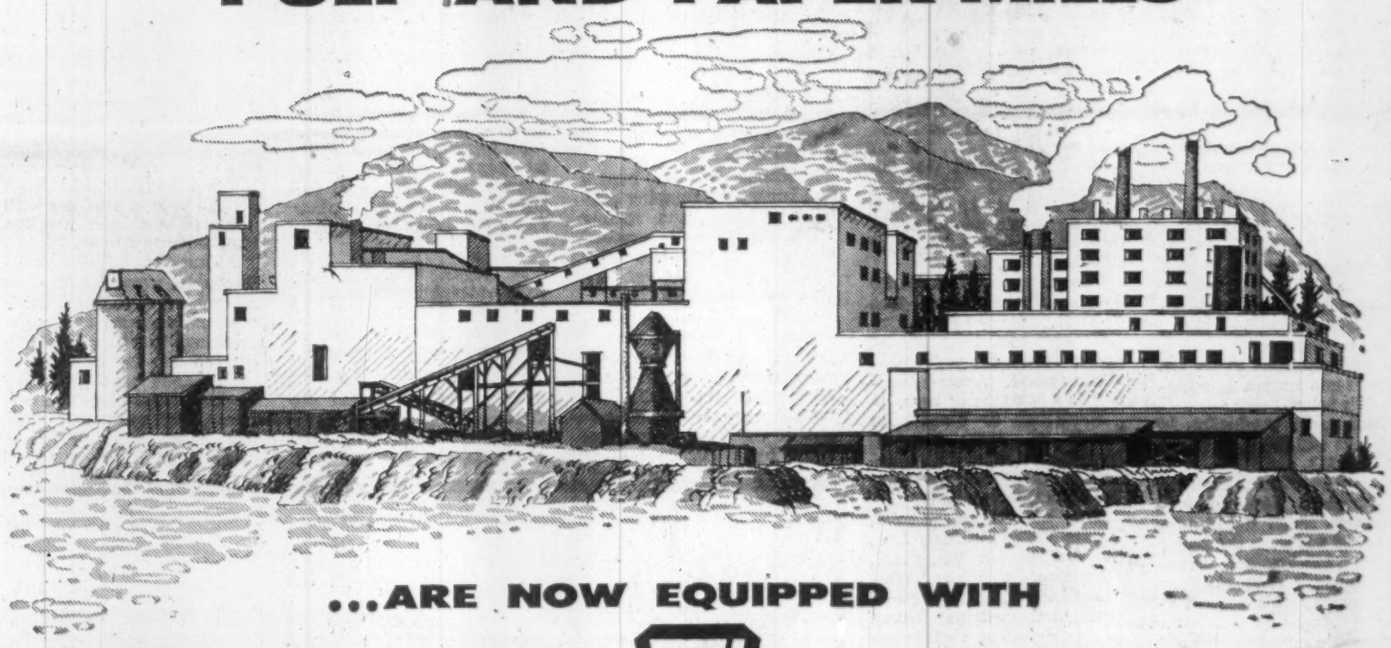
44 CANADIAN PULP AND PAPER MILLS



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Many potential users of steam may be unaware of the tremendous improvements that have been made in recent years in the design of steam generating units and particularly those burning two or more fuels. Our engineers will be pleased to discuss current designs with you or your consultants. Foster Wheeler Limited, St. Catharines, Ontario.

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Specialties, Board

(CONTINUED FROM P. 77)

into operation, further increases in efficiency are expected.

Outlook for 1958, says company, doesn't indicate any appreciable improvement over the level of business in the previous two years.

Further details on E. B. Eddy and **Eddy Paper Co.** are in the Fine Paper Section.

Fraser Cos.

Fraser Cos., directly or through its subsidiary, **Fraser Paper Ltd.**, manufactures sulphite and groundwood specialty papers, chemical wood pulps, groundwood pulp, paperboard and lumber.

The company operates sulphite and groundwood pulp mills, sulphite and kraft bleaching plants, and a paperboard mill at Edmundston, N.B.; an unbleached kraft pulp mill at Newcastle, N.B.; a bleached sulphite pulp mill for paper grade and dissolving grade pulps at Atholville, N.B.; and sawmills and dressing mills at Cabano, Que., and Plaster Rock, N.B.

Its subsidiary, **Fraser Paper Ltd.**, operates paper mills manufacturing high grade specialty papers from chemical and groundwood pulps at Madawaska, Maine.

Capital expenditures during 1957 amounted to $6,482,333 against $5,011,088 in 1956.

Consolidated net profit for the year was $5,298,524 compared with $6,705,642 for the previous year. In the first six months of 1958 consolidated net was $2,016,484 against $2,542,394 in a like period of 1957.

Pulp, paper and paperboard products sold by the company dropped to 265,214 tons against 284,815 for the previous year. The company's program of modernization and improvement to plant and equipment is continuing.

A former subsidiary, **Restigouche Co.**, has been purchased by the parent company and is now being operated as the Restigouche Division of Fraser Cos.

See also Pulp Section.

Howard Smith

Howard Smith Paper Mills Ltd. manufactures a broad line of fine and specialty papers, directly and through subsidiaries. Combined annual paper capacity (including that of **Donnacona Paper Co.** whose main output is newsprint) is 320,000 tons.

Total paper production in 1957 was 299,200 tons (318,473 in 1956).

A new Fourdinier machine at Cornwall, designed primarily to make lightweight grades of paper, is the major item in a $12.5 million expansion program announced by the company this past summer.

For main report on Howard Smith, see Fine Paper Section of this issue.

Interlake Tissue

Interlake Tissue Mills Co., manufactures a wide range of paper specialty products at its Merritton, Ont., plant. These include paper napkins, towels and allied products. Plant and equipment improvement carried on in recent years has enabled company to increase production substantially above its former level of 10,000 tons annually.

Interlake is a private company and does not publish details of its financial results. Capitalization stands at $525,000 in shares of $100 par value.

Kimberly-Clark

Kimberly-Clark Canada Ltd., Toronto, a wholly owned subsidiary of **Kimberly-Clark Corp.**, Neenah, Wis., operates a cellulose wadding plant at Kapuskasing, Ont., and converting plants in Niagara Falls and Winnipeg. A third paper converting plant is nearing completion at St. Hyacinthe, Que. Close to 750 persons are employed in these plants at present.

On May 1, 1958 Kimberly-Clark of Canada and **Kimberly-Clark Products Ltd.** were consolidated. This now integrates company operations from pulp and the manufacture of creped wadding to converting operations and distribution of products. These include Kleenex tissues and napkins, Kotex and Delsey.

Financial results of the Canadian subsidiaries are not published.

MORE AND MORE, the mills are using an increasingly large number of tree species, particularly hardwoods.

MacM. & Bloedel

MacMillan & Bloedel Ltd., Vancouver, B.C., controls a fully integrated lumber operation. It is the largest Canadian producer of plywood, accounting for one third of Canada's total output.

Company's two plywood mills, at Port Alberni and Vancouver, have combined annual capacity of 320 million sq. ft. (⅜ in. basis) of plywood.

The Vancouver mill also operates a door factory capable of producing over 400,000 doors annually, and manufactures pressed wood fuel known as Pres-to-Logs from waste.

The Port Alberni mill has 12 machines with total annual capacity of 140,000 squares of shingles (100 sq. ft. per square). The Vancouver mill has 18 machines with aggregate annual capacity of 250,000 squares of shingles.

The Port Alberni plant also has capacity for 60,000 tons of kraft paper per year.

Grocery bags are produced at the Vancouver paper converting plant. Annual capacity is 4,000 tons of bags.

MacMillan & Bloedel on March 27, 1958, acquired from **Powell River Co.** a one-half interest in **Martin Paper Products Holdings Ltd.**

The operating company, **Martin Paper Products Ltd.**, has factories in Vancouver, Edmonton, Calgary and Winnipeg for the manufacture of corrugated container boxes. A substantial part of its requirements of container board will be obtained from MacMillan & Bloedel.

For main article on company, see Pulp Section.

Minas Basin

Minas Basin Pulp & Power Co. produces groundwood, pulp and paperboard. It is also engaged in extensive lumbering operations.

Capacity of the paperboard mill at Hantsport, N.S., is 50 tons daily. Paperboard shipments in 1957 were 9,960 tons, up slightly from 9,912 tons in 1956.

Company's wholly owned subsidiaries include **Minas Shipping Co., Annapolis Basin Pulp & Power Co., Minas Stevedoring Co., Canadian Keyes Fibre Co.** Controlled and associated companies include **Minas Transport Ltd., Parrsboro Lumber Co., Windsor Supply Co., Annapolis Valley Canners** and **Scotia Fat Salvage Co.**

For further details see Pulp Section.

Perkins

Perkins Paper Products manufactures a diversified line of paper products including gift wrapping papers, crepe paper, napkins, table covers, baking cups, shelf papers, waxed papers and toilet tissues.

Company operates from a modern plant in St. Laurent near Montreal, with a branch sales office in Toronto.

The company is entirely Canadian-owned. Financial statements are not published.

Rite Paper

Rite Paper Products manufactures household paper products under the "Rite" trade mark.

Head office is in Montreal and manufacturing facilities at Portneuf Station, Que.

Sales are made to all major grocery outlets in Canada.

Company is entirely Canadian-owned. Financial statements are not published.

St. Lawrence

St. Lawrence Corp. manufactures a wide range of kraft, board and specialty papers at two of its five mills in addition to being a major producer of newsprint, unbleached sulphite, kraft, semi-chemical and groundwood pulps.

The two kraft mills are at Red Rock, Ont., and East Angus, Que., and have a combined annual capacity of 214,000 tons.

Products include papers and boards for shipping containers, set-up and folding boxes, multi-wall grocers' and specialty bags and many other specialty papers, both bleached and unbleached.

Company is currently engaged in a program of improving and increasing kraft pulp capacity at the Red Rock mill, which will ultimately increase annual output of the kraft board machine from 130,000 tons to 200,000 tons. The program includes a multi-stage pulp bleaching plant which will provide greater diversification of products.

Company's three other mills are at Trois Rivieres, Dolbeau, Que., and Nipigon, Ont.

The five mills have a combined annual saleable capacity of about 685,000 tons of pulp and paper products. Included in this total are 43,000 tons of market pulp, 214,000 tons of kraft products and 428,000 tons of newsprint.

For main write-up on this company, see Newsprint Section.

Westminster

Westminster Paper Co., Vancouver, produces a wide range of paper specialty products at its plants in New Westminster, B.C. and Crabtree-Mills, Que. Products include wrapping paper, decorative papers, plain and printed papers, water-marked papers, toilet and facial tissues, paper towels, napkins and many other special papers.

In August, 1954, the company entered into a partnership with **Scott Paper Co.** of Chester, Pa., the largest manufacturers of sanitary paper products in the world.

Company acquired the Crabtree Mills plant of **Howard Smith Paper Mills Ltd.**, Montreal, on Oct. 1, 1957, thus becoming the only Canadian soft paper producer with both eastern and western manufacturing facilities.

Acquisition of the Crabtree plant gives Westminster a groundwood mill, one tissue machine and one fine paper machine. The tissue machine has an annual capacity of about 7,500 tons producing napkins, toilet tissue and cellulose blotting paper. The fine paper machine has a capacity of 11,000 to 12,000 tons and produces envelope, book, litho and other similar grades of paper.

Westminster has no timber limits in Eastern Canada and buys some of the pulp for its Crabtree operations in this area. One of its major problems in selling to the eastern market had been freight rates from B. C.

Company plans to add new production facilities at the Crabtree mill as soon as practicable.

Net profit for 1957 of $923,744 was down 1.3% from the 1956 net of $936,176. Earnings were equal to $59.75 ($47.06) per class A shares and $1.89 ($1.93) per class B shares. Dividends amounted to 50c (50c) per A share and 80c (80c) per B share.

Net sales in 1957 increased by almost 20% to $12.2 million. Of the $1,971,000 increase, $1,068,000 is attributable to the Crabtree operations. Labor and material costs continued to mount during the year, company stated, as did advertising and selling costs in marketing the additional tonnage available at the Quebec plant.

Capital expenditures, including acquisition of the Crabtree mill, amounted to $4.7 million. Heavy capital costs plus substantial expenditures for integration of the new mill are expected to severely tax company's earning power in the current year.

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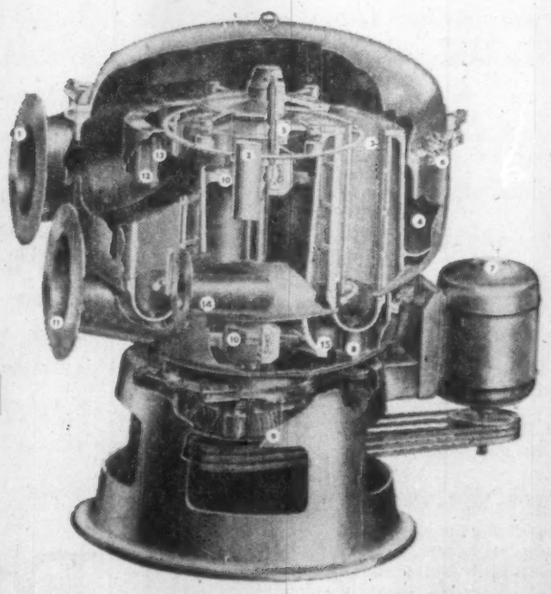

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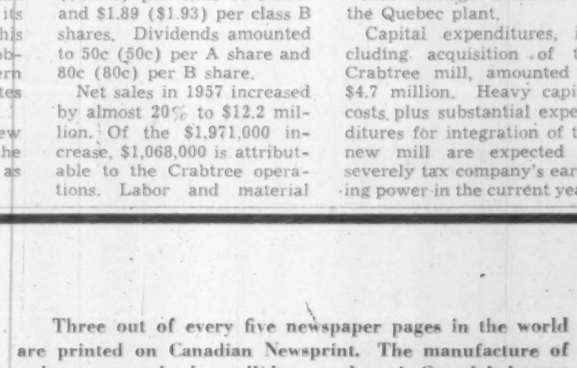

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Newsprint

Abitibi

Abitibi Pulp & Paper Co. directly and through subsidiaries manufactures newsprint, papers of many types, sulphite and groundwood pulp and associated products. Company also has extensive timber limits and water power rights.

Properties include six newsprint mills — Iroquois Falls (271,040 tons annual capacity); Sault Ste. Marie (102,880 tons); Fort William (115,500); Thunder Bay (132,440); Pine Falls (146,300); Beaupré (129,360).

A wholly-owned U. S. subsidiary, **Abitibi Corp.**, manufactures hardboard and insulating board at a $16.5 million mill opened last fall at Alpena, Mich. Sales volume at Alpena plant is increasing month by month.

Company's total production in 1957 was 1,000,104 tons, down from the record 1956 output of 1,046,430 tons. Newsprint production amounted to 765,533 tons in 1957, against 815,830 tons in 1956.

Consolidated net profit of $12,502,283 for 1957 was 19% lower than 1956's $15,423,827. Earnings were equivalent to $2.86 in 1957 ($3.56 in 1956).

Sales for 1957 totaled $128.2 million, compared with $132.5 million in 1956. In the first six months of 1958, net sales were $62,139,478, down 6.5% from $66,462,735 in first-half 1957.

Net profit fell 32.6% to $4,437,557, from $6,583,235, equal to $1 ($1.51) per share.

President D. W. Ambridge attributed the decline in net earnings to the decrease in sale of newsprint and other papers, and to the loss sustained during the first several months of operation at the new Alpena mill.

It is expected that operations at Alpena will show a marked improvement during the second half of this year, the president added. Indications are that the demand for paper products will continue at about the same level as in the first half, he said.

Capacity operations "are not at all likely," Mr. Ambridge said.

Because company's capacity to produce has not been fully utilized for more than a year, start-up of a new machine at Fort William, capable of an output of 300 tons daily, has been postponed. Company has spent $15.6 million during the past 30 months in expanding newsprint facilities at Fort William.

At six divisions of Abitibi, boilers are being converted to the use of natural gas in place of coal or oil, to effect economies and help reduce fuel inventories during the winter.

Last fall, company issued $10 million 6¼% first mortgage sinking fund bonds, due Nov. 15, 1977, and non-callable for 10 years. The issue was sold at par.

Proceeds were applied for capital expenditures in Canada, including $8 million for completing the high-speed newsprint machine at Fort William.

Capitalization outstanding at June 30, 1958, included $11,158,000 3½% first mortgage sinking fund bonds due April 1, 1967; $9,714,500 4% first mortgage sinking fund bonds, due 1974; $10 million 6¼% first mortgage sinking fund bonds, due 1977; $15 million 4½% convertible debentures, due 1966; 493,133 4½% cumulative redeemable preferred shares, par $25; and 4,163,218 npv common shares. Earned surplus amounted to $75,267,493.

STE. ANNE PAPER Co. is a wholly owned subsidiary of Abitibi

Anglo-Canadian

Anglo-Canadian Pulp & Paper Mills Ltd. produces newsprint, paperboard and unbleached sulphite pulp.

Rated capacity of the mills is 275,000 tons of newsprint, 23,000 tons of paperboard and 60,000 tons of unbleached sulphite pulp (in excess of newsprint needs) per year.

Products are marketed largely in the U. S. where about 70% of newsprint production is sold. About 6% of the pulp which the company sells is also sold there, the balance going to Canadian and U. K. markets.

Sales last year reached a record level. Output of all products (including those of **Dryden Paper Co.**) was 424,439 tons, 3.1% greater than 411,434 tons in the previous year.

Company's Quebec mill produced 264,376 tons of newsprint (255,696 tons in the previous year); 21,840 tons of paperboard (22,434); and 45,551 (57,140) tons of pulp.

Capital expenditures during the year amounted to $6,778,196 compared with $13,459,232 in the previous year. They included $3,662,878 required for completion of the Dryden development program.

Expenditures at the Quebec mill included $654,022 for completion of a high-tension sub-station and $1,161,787 for improvements and additions to the paper machines.

The balance of $1,299,509 provided numerous smaller improvements and additions in the mill and woods operations, both for Quebec and Dryden.

Company's mill is located in Quebec City on tidewater at the junction of the St. Lawrence and St. Charles Rivers.

Equipment includes four newsprint machines, one paperboard machine and two sulphite pulp machines.

Adjoining the plant is a company-owned private wharf capable of docking ships up to 6,000 tons. This gives direct connection with the world's seaports and points on the Great Lakes. There is also a rail link with both CNR and CPR.

Company holds crown leases on 2,997 sq. mi. of timber limits in the watersheds of the Bersimis and Sault-au-Couchon Rivers on the north shore of the St. Lawrence.

A crown lease is also held on some 192 sq. mi. of timber limits on the Montmorency River, the mouth of which is about four miles from the mill.

Timber limits are estimated to contain some 22 to 25 million cords of merchantable timber, the greater part being spruce and balsam.

Company's crown lease holdings, exclusive of wood purchased, are considered sufficient to meet long-term pulp requirements of the mill.

Power is purchased from **Shawinigan Water & Power Co.** under a contract expiring in 1977. Contract has provision for renewal.

Consolidated net profit in 1957 was $3,115,823, off 38.9% from $5,101,663 in the previous year. Net sales after outward freight, exchange losses, discounts, returns and allowances were $50,994,280 ($49,336,542).

At Dec. 31, 1957, consolidated working capital was $21,487,148 ($19,181,812). Outstanding capitalization included 1,264,271 common shares (npv) and 153,762 $2.80 cumulative redeemable sinking fund ($50 par) preferred shares outstanding.

During 1957 3,155 preferred shares were redeemed.

At Dec. 31, 1957, company had $5 million 6¼% sinking fund debentures, series A, due 1978, outstanding.

Dryden Paper Co. had $3.5 million 4¾% serial debentures and $10.5 million 4¾% sinking fund debentures outstanding.

Anglo-Nfld. Co.

Anglo-Newfoundland Development Co., produces newsprint and unbleached sulphite pulp. Mill at Grand Falls has a capacity of 266,000 tons of all products annually. This consists of 246,000 tons of newsprint and 20,000 tons of unbleached sulphite pulp.

It has two hydro-electric power plants on the Exploits River with an installed capacity of 76,500 hp with substantial undeveloped power potential.

Deep sea shipping facilities, owned by the company, are located at Botwood which is 22 miles from Grand Falls. The company's products are moved over its own railway line to this port.

Timber limits include some 7,456 sq. mi. partly freehold and partly crown license. In 1956 company was granted a timber license in the Sioux Lookout area, Ontario, on condition that it would construct a mill to consume 150,000 cords of pulpwood annually with construction to be started by May, 1959.

Production in 1957 was 245,000 tons all products.

In order to use available timber supply to the fullest, plans formulated in 1956 are being implemented.

Through a subsidiary, **Terra Nova Properties Ltd.**, the company participates to the extent of 50% in net profits of **Buchans Mining Co.** which operates an important base metal mine.

Work is being continued on the development of a new shaft.

Another subsidiary, **Gaspesia Sulphite Co.**, operates a bleached sulphite mill at Chandler, Que.

Consolidated net profit in 1957, was $2,281,032 ($5,425,707 in 1956), a drop of 58%.

The decrease in 1957 earnings was due to lesser demand for some products, particularly pulp, higher manufacturing costs, and drastic fall in base metal prices and the high discount on the U. S. dollar.

At Dec. 31, 1957, working capital (excluding deferred logging expenditure) amounted to $24,447,283 ($24,049,852 a year earlier).

Capital stock consists of 5,498,415 issued ordinary shares, $5 par.

Bowater's Nfld.

Bowater's Newfoundland Pulp & Paper Mills Ltd. has at Corner Brook, Nfld., one of the largest single pulp and paper mills in the world.

The six paper machines have a current annual capacity in excess of 310,000 tons and company's sulphite pulp production surplus to its own requirements for manufacture of newsprint amounts to about 50,000 tons a year.

Bowater's Newfoundland is a subsidiary of **Bowater Corp. of North America**, Montreal, in turn owned by **Bowater Paper Corp.** in Britain.

Company's timberlands cover an area of more than seven million acres, about a fifth of which is freehold and the remainder held under license from the Government of Newfoundland. Licenses generally run for a term of 99 years from 1938.

Some 80% of the company's newsprint output is sold to publishers in the U. S., mainly under 15-year contracts dating from 1954. The remainder is sold in Commonwealth and overseas markets.

The surplus sulphite pulp, from a 150-inch machine with a daily capacity of about 150 tons, is sold primarily in the United Kingdom.

An expansion program recently completed included the rebuilding of No. 7 machine with a resultant increase in speed from 1,600 fpm to the 2,000 fpm range.

A serious fire in April last year damaged four paper-making machines and disrupted operations for some months. The damage has since been repaired.

Operations were reduced from six to five days a week in May, 1958.

Wood cut for export was reduced during the year from 90,000 tons to 50,000 tons in view of the inventory position in the organization's U. K. mills, to which this wood is sold.

During the year under review **Bowater Power Co.** put on line a new hydro-electric plant which added 12,000 hp to the 156,000 hp of the company's Deer Lake installation. The mills are the power company's principal customer.

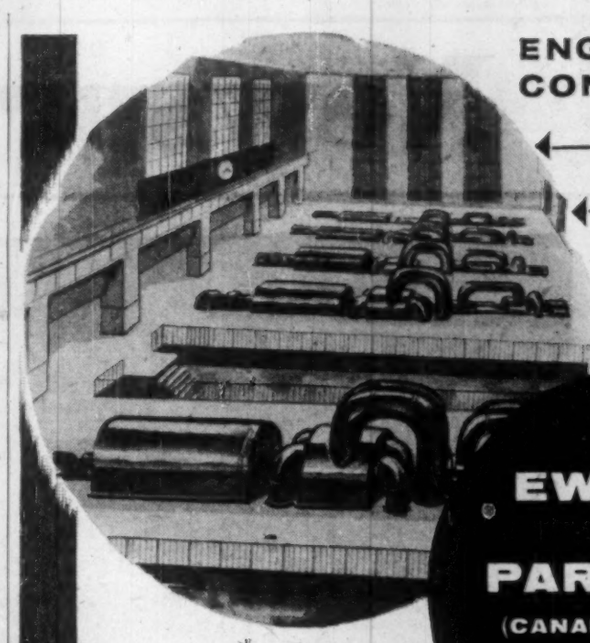
Consolidated net profit of Bowater's Newfoundland in 1957 was $3,621,486 compared with $4,409,514 in 1956. All common stock is held by Bowater of North America. There is no funded debt. Outstanding is a $2.5 million issue of 4½% cumulative preference stock, sold to the British public.

Consolidated net profit of Bowater of North America in 1957 was $9,951,000, up slightly from $9,809,000 in 1956.

Capital stock of Bowater of North America includes (outstanding Dec. 31 last) 13 million npv common; 345,994 5% pref., $50 par; 148,405 5½% pref., $50 par, shares.

Company has no funded debt but funded debt of subsidiaries at Dec. 31, 1957, was $84.3 million compared with $88.8 million a year earlier.

(Continued on page 80)



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Newsprint

Cdn. Int. Paper

Canadian International Paper Co., a wholly owned subsidiary of **International Paper Co.**, New York, manufactures newsprint and bleached and unbleached sulphite pulps, bleached and unbleached kraft pulps, kraft, liner board, kraft paper and linerboard, kraft paper and bleached kraft board.

Newsprint produced consists of about 80% groundwood pulp and about 20% sulphite pulp. About 80% of the newsprint output is sold to publishers in the U. S., the balance principally U. K., Australia and Latin America.

Bleached sulphite pulp is manufactured at three mills which produce special grades used as raw material in the manufacture of rayon, cellulose film, plastic and allied products. Some bleached sulphite is used by paper mills of the parent company and subsidiaries in the Northern U. S.

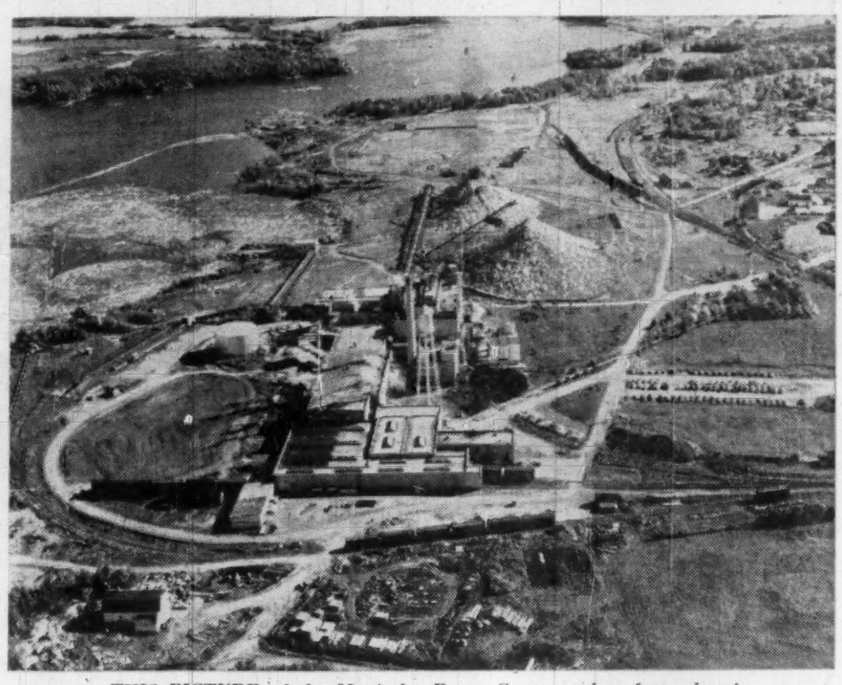
Company's kraft pulp mill at La Tuque, Que., has an annual capacity of 300,000 tons of unbleached kraft pulp of which 105,000 tons is converted into kraft linerboard, kraft paper, bleached kraft board and corrugating medium with the balance being bleached for various grades of specialty pulps.

The mill also produces 250 gallons of turpentine per day.

Approximate aggregate annual capacity of other company and subsidiary plants on a 308-day basis is 1,205,000 tons of which 928,000 tons are newsprint and 277,000 tons bleached and unbleached sulphite.

Properties of company and subsidiaries include the Trois Rivieres and Gatineau newsprint mills in Quebec, the Dalhousie newsprint mills, steam and steam-electric plants in New Brunswick, bleached pulp mills at Temiskaming, Que., and at Hawkesbury, Ont., and kraft pulp mill at La Tuque.

Timber holdings comprise 25,200 sq. miles, largely in Quebec. The company reports these holdings are considered adequate to provide for the requirements of present mills in perpetuity.



THIS PICTURE of the Manitoba Paper Co. was taken from the air.

Subsidiary companies include: **New Brunswick International Paper Co.**, operating a paper mill at Dalhousie, N.B.; **Continental Paper Products Ltd.**, making paper bags, boxes and specialties, drinking cups and other paper products at Ottawa, Ont., Cap-de-la-Madeleine, Que., and Regina, Sask.; **International Fibre Board Ltd.**, manufacturing "Ten/Test" insulating building board at Gatineau, Que.; **International Plywoods Ltd.**, producing hardwood panels, Gatineau; **Commercial Alcohols Ltd.**, which produces pure ethyl alcohol, shellac and antifreeze; **Industrial Cellulose Research Ltd.**, which does research in cellulose products, rayon, etc., at Hawkesbury, Ont.

In May, 1955, Canadian International Paper acquired all outstanding shares of **Hygrade Containers Ltd.**, which makes corrugated shipping containers at London, Ont. In first half 1956, Hygrade completed and brought into production a new container plant at Pointe-aux-Trembles, Que. In June, 1957, it formally opened its third plant, this one in Etobicoke on the outskirts of Toronto. These three plants furnish an important outlet for container board from the La Tuque mill.

Company's capital expenditure will amount to $5½ million in 1958 to complete programs in process, mostly in newsprint. Canadian production in 1957 totaled 1,357,792 tons and included: newsprint 893,424 tons; dissolving and other pulps, 376,039 tons; container board and miscellaneous papers 88,329 tons.

Consolidated net profit of parent International Paper Co. in 1957 was $78,387,891, down about 10% from the previous year, or $6.17 ($6.85) per share on common stock.

In first half 1958, net profit at $30,249,760 was down 20.1% and sales dropped to $442.6 million ($490.3 million a year earlier). Net profit per share of common amounted to $2.34 ($2.94).

Chairman J. H. Hinman said recently that customer inventory liquidation had reached a point where production must soon be stepped up at least to equal current consumption and that a pick-up in volume was anticipated for the last half of 1958.

Capitalization of International Paper at Dec. 31, 1957, comprised 400,000 $4 preferred shares (npv) of which 230,579 were issued and 226,400 outstanding; 24 million common shares, $7.50 par, of which 12,566,358 were issued and 12,545,371 outstanding.

Cons. Paper Co.

Consolidated Paper Corp. is one of Canada's largest producers of newsprint and other pulp and paper products.

Company owns five mills with a total daily capacity of some 2,763 tons of newsprint paper, 210 tons of kraft paper, 21 tons of kraft pulp as well as cardboard, wrapper and other miscellaneous products.

About 75% of the company's pulp and paper products are exported to U. S. with considerable tonnage being sold and used in Canada.

Balance is distributed to established markets in U. K., Eire, South Africa, Australia, New Zealand, the West Indies, India, etc.

Paper mills are owned at Shawinigan, Grand'Mere, Port Alfred, Three Rivers and Cap-de-la-Madeleine, all in Quebec. Rated newsprint capacity for 1958 is 851,004 tons.

Capital expenditures in 1957 amounted to $9,526,576 ($7,238,465 in 1956).

During the year a new high yield sulphite plant at Shawinigan and a new research centre at Grand'Mere were put into operation. Modernization of the kraft mill at Wayagamack was completed, the speed of two newsprint machines at Grand'Mere was increased and improvements were made on all paper machines at Port Alfred.

At the end of 1957 approved but unexpended appropriations amounted to $1,[illegible]8,025.

Since 1956 company has increased its annual capacity of paper products by 266,500 tons (40%) at low capital cost.

Consolidated net profit in 1957 amounted to $12,686,892 compared with $15,280,969 the year before. For the six months ended June 30, 1958, net profit was $6,446,506 (against $6,902,015).

At Dec. 31, 1957, capital stock consisted of an outstanding 5,132,664 npv common shares. There is no funded debt.

Cr. Zellerbach

Crown Zellerbach Canada Ltd., subsidiary of **Crown Zellerbach Corp.**, San Francisco, is a self-contained, wholly integrated enterprise. It is one of the most diversified forest products operations in Canada.

Two principal subsidiaries are: **Canadian Western Lumber Co.** and **Elk Falls Co.** Canadian Western Lumber, which became a Crown Zellerbach subsidiary in 1956, holds 50% of the capital stock of Elk Falls and Crown Zellerbach holds the remaining half.

Elk Falls manufactures newsprint and kraft pulp while Canadian Western logs and manufactures lumber and other forest products. Crown Zellerbach itself operates a pulp and paper mill at Ocean Falls and a converting plant at Richmond, B.C.

Crown Zellerbach Canada has four other subsidiaries aside from Elk Falls and Canadian Western. Canadian Western itself has another five subsidiaries.

This year, company purchased a custom sawmill at Richmond to complement present lumber operations and is building a corrugated box factory and storage warehouse at Kelowna, B.C., to improve service to the Okanagan Valley fruit industry.

Some 95% of company's capital shares outstanding are held by the parent company. Remaining shares are held by Canadians largely. In May this year, company introduced a plan giving dividend priority to shares in the hands of the public. These latter shares were reclassified as A shares and by-laws provide that no dividend can be paid on the ordinary shares held by parent company until dividend at the rate of 25c per share have been declared on the A shares.

At Ocean Falls, machine speed-ups resulted in both No. 1 and No. 2 paper machines establishing individual daily records.

Total value of 1957 sales reached $78.8 million, down fractionally from the year before. Rising costs, a strike and depressed lumber and plywood markets are cited as causing the decline.

Consolidated net profit amounted to $5.9 million as against the previous year's $9.4 million.

Net sales in the first six months of this year amounted to $38.5 million vs. $39.6 million a year earlier. Net profit was $2.6 million as against $3.5 million.

Commenting on these results, President P. T. Sinclair says lower profit and sales reflect continued adverse conditions in the B. C. forest industry. Results include five weeks when the pulp and paper strike was still in progress.

Weakness in lumber and plywood prices and some lines of paper products without compensating reductions

(Continued on page 81)

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Newsprint

(CONTINUED FROM P. 80)

in operating costs will probably persist throughout 1958, company states.

Company's current program of expansion and modernization was virtually completed in 1957. Major projects finished during the year included a 175-ton-per-day bleach plant, a small log sawmill and groundwood mill expansion at Elk Falls.

Construction of the new Elk Falls No. 2 paper machine was suspended during the strike, but was completed in the early part of this year.

Early in 1957, a barking plant was opened at Fraser Mills. Additional chippers were installed boosting the production of chips at Fraser Mills by 57%.

Total wood harvested from company's 742,000 acres reached 285.4 million board feet. Some 1,894 acres were reforested during the year.

Consolidated long term debt at the end of 1957 included: $750,000 first mortgage 4% sinking fund bonds of Canadian Western Lumber and $8 million first mortgage 3½% serial and 4½% sinking fund bonds and $3 million general mortgage 5% sinking fund bonds of Elk Falls.

Company's long term debt also included 5¼% notes payable to Crown Zellerbach Corp., U.S., totaling $16.9 million and liabilities under other contracts amounting to $2.8 million.

Donohue Bros.

Donohue Brothers Ltd. owns and operates a pulp and paper mill at Clermont, Charlevoix County, Que. Newsprint capacity is sold under long-term contracts to publishers in U. S.

Mill, located on Malbaie River, is equipped with three newsprint machines capable of producing over 350 tons a day.

The third newsprint machine, installed during first half of 1958, was in operation July 1, with an annual capacity of approximately 30,000 tons. In 1957 company's mill produced a record 75,411 tons of newsprint (75,208 in 1956).

At Dec. 31, 1957, working capital amounted to $4,771,020, down from $4,947,073 a year earlier.

Estimated net profit for the six months ended June 30 was $418,462 down 4.63% from $438,801 in the first half of 1957.

During 1957 long-term debt was increased by $2,213,300, reflecting issue of $1.5 million first mortgage bonds, 5% series D, and $1 million 5½% serial notes.

Company redeemed $50,000 of serial bonds and retired $130,000 of first mortgage bonds by sinking fund. Payments on balance due on timber limits amounted to $106,700.

Capitalization consists of $5,770,000 of funded debt, after deducting payments due in 1958, and 600,000 shares of $3.33 par value common stock.

Donnacona

Donnacona Paper Co. operates a newsprint mill with groundwood and sulphite pulp plant, near Quebec City. Company also manufactures insulating board in a mill built for the purpose in 1929. Manufacture of acoustical board was undertaken in 1939.

Approximately 90% of company's newsprint output and about 65% of its sulphite pulp available for sale is sold in the U. S. Sale of insulating board is world-wide.

A major improvement project was carried out on No. 3 paper machine. This involved rebuilding the wet end, adding two stainless steel rubber-covered suction press rolls, two new felt dryers and a high-speed winder.

Additional stock refining equipment was added to the mill and a new broke pulper was installed for No. 1 machine.

Figures on annual volume of products for sale are not published separately, but are included in the production figures of its parent company, **Howard Smith Paper Mills Ltd.** (see Fine Paper Section of this report).

Company owns in fee or leases timber lands adjacent to the St. Lawrence River in Quebec, totaling about 1,721 sq. miles, estimated to contain some 12.6 million cords of pulpwood.

Of the total held under lease or freehold, 752 sq. miles is the company's share of the Bersimis timberlands, purchased by Donnacona and **Anglo-Canadian Pulp & Paper Mills** in 1947 from **Brown Corp.**

The latest available figures on capacity of company's plants is as follows: Newsprint, 105,000 tons per annum; sulphite pulp, 58,000 tons yearly, groundwood pulp, 88,000 tons and insulating board, 100 million sq. ft. annually.

Directly, or through its subsidiary, the **D. P. Power Co.**, company owns water power on the Jacques Cartier River at the St. Lawrence, have a present development of 12,000 hp and an ultimate capacity of about 46,000 hp. Balance of power required is purchased under an agreement with **Shawinigan Water & Power Co.**

Consolidated net profit of Donnacona Paper Co. for the year ended Dec. 31, 1957, amounted to $1,629,619 ($2,105,988 the year before).

Outstanding capital stock consists of 379,532 npv common shares of which Howard Smith holds 97%. Funded debt outstanding at Dec. 31, 1957, consisted of $4,550,000 3½% first mortgage sinking fund bonds.

Elk Falls Co.

With mills at Dominion Bay, Vancouver Island, **Elk Falls Co.** is jointly owned by **Crown Zellerbach Canada Ltd.** and one of its subsidiaries, **Canadian Western Lumber Co.**

Production began this spring on new No. 2 paper machine, marking the close of a 30-month, $29 million expansion program.

The new machine produces a sheet of paper 245-in. wide at a speed of 2,000 ft. per minute. Balanced for a potential speed of 2,500 ft. per minute, it is regarded as potentially the fastest combination machine of its size in the western hemisphere. When needed, it can be switched to production of newsprint, from its current output of kraft paper.

The No. 1 machine at Elk Falls produces 284 in. newsprint. This machine set a world record of 353.5 tons for a single day's production on one machine, in 1957.

The Elk Falls sawmill is designed to handle small logs from 6 in. to 24 in. diameter, and has an annual capacity of 50 million board feet.

Gt. Lakes Paper

Great Lakes Paper Co., Fort William, Ont., manufactures newsprint and unbleached sulphite pulp at its plant on the Kaministiquia River west of the city. Both rail and water facilities are available to the company.

Newsprint output last year reached 180,075 tons (150,687 tons in 1956). Production of sulphite pulp for the market was 41,764 tons (47,806 tons).

In June, 1957, company's third newsprint machine went into operation with a rated capacity of 90,000 tons per annum. In July, 1958, the new (No. 4) paper machine went into operation with a rated capacity of 110,000 tons.

Total rated capacity of the mill is now 360,000 tons of newsprint per annum. In addition, company has 20,000 tons per annum of surplus sulphite pulp production available for the market.

Company also plans to build a new mill to produce wood cellulose products other than newsprint. The cost is predicted to be about $20 million. Timing is not yet decided.

Subsidiaries include **Superior Timber Co.**, nonoperating; **Patricia Lumber Co.**, operating timber cutting rights; **Lake Superior Newsprint Co.** and **Canadian Wood Pulp Corp.** The last two were formed in 1955 to handle company's contracts in U. S.

Company's newsprint sales were valued at $20.5 million last year ($18.3 million in 1956); pulp sales $4.5 million ($5.2 million). Consolidated net profit in 1957 was $2,162,292 ($3,046,497) or $1.70 ($2.44) per common share.

Newsprint shipments in the first six months of 1958 totaled 93,725 tons, up 19.9% from 78,158 tons in first-half 1957. Second-quarter shipments at 45,874 tons were 16.7% ahead of 39,293 tons shipped a year earlier.

"Outlook is for an operating level considerably below capacity," company announced.

Sales for the first six months of 1958 rose by 18% to $15,451,416 from $13,115,039 in January-June, 1957. Operating profit, at $3,607,001, was down 11% or $441,565, with $193,663 of the decrease being due to reduction in investment income. Loss of $443,512 on U. S. dollar exchange was nearly 11% of operating profit, President C. J. W. Fox pointed out. Net profit of $839,699 or 65c per common share was down 25.9% from $1,133,463 or 80c a share in first-half 1957.

Second-quarter sales were 20.4% higher than year earlier ($7,750,775 vs. $6,473,979), but April-June net profit dropped 18.5%, from $502,039 to $409,362.

Capitalization outstanding at June 30, 1958, included $4 million 4% mortgage Series A, due Nov. 15, 1958-65; $11 million 4% first mortgage sinking fund bonds Series A, due 1975; $10 million 5% sinking fund debentures, due 1976; 100,000 class B $1.20 cumulative preferred; and 1.2 million shares common npv.

Maclaren

James Maclaren Co. is a wholly owned subsidiary of **Maclaren Power & Paper Co.** and operates the newsprint and lumbering division of the holding company.

The company and its predecessors have been engaged in the lumbering business in and around Buckingham, Que., since 1864.

Company's properties include a groundwood mill in Buckingham with an annual capacity of 85,000 tons and a newsprint mill at Masson, Que., with a capacity of approximately 120,000 tons of newsprint per year.

Company is developing Dufferin Falls in town of Buckingham. This project, expected to be completed early in 1959, will result in closing the groundwood mill at Buckingham.

The hydro-electric power generated will be used in the operation of the new groundwood mill at Masson. Construction involves a power plant to house two generators of about 25,000 hp each.

Consolidated net profit of James Maclaren Co. and its subsidiary, **Lievre Valley Telephone Co.**, in 1957 was $2,753,904 ($3,038,612 in 1956).

Sales of newsprint, logs, telephone revenue, etc., at $14,056,071 were down from $15,135,589. Operating expenses, before depreciation, selling, administrative and pension plan expenses, were $8,472,291 ($9,032,606).

Consolidated net profit of Maclaren Power & Paper Co. (the parent) was $3,335,779 ($3,518,829).

At Dec. 31, 1957, current assets were $21,593,176 ($22,184,992) and current liabilities $3,887,825 ($3,386,160). Working capital was $17,705,351, down from $18,798,832 a year earlier.

Authorized capitalization of Maclaren Power & Paper is 750,000 npv common shares of which 500,000 are issued and outstanding. At Dec. 31, a subsidiary, Maclaren-Quebec Power Co., had $13,028,000 3% first mortgage bonds outstanding.

MacM. Bloedel

MacMillan & Bloedel Ltd., Vancouver, B.C., controls a fully integrated lumber operation.

Company now has two newsprint machines at Port Alberni, each capable of producing 100,000 tons of newsprint a year.

The second of these two new machines came into production in July. The first has been operating since August, 1957.

Newsprint from the new machine has been sold in advance to domestic and export markets, including the U. S., U. K., Australia and South America. Sales are not expected to be high enough to keep machines running at peak capacity this year, owing to reduced demand for newsprint.

(For main article on company, see pulp section.)

Mersey Paper Co.

Mersey Paper Co. has a modern newsprint mill at Liverpool on the south shore of Nova Scotia. It was opened in 1929 and became a member of the **Bowater** organization in 1956.

Production in 1957 was 145,960 tons of newsprint from two machines. Rate recently was 475 tons daily. Practically the entire output is sold under contracts of varying duration, 82% to the U. S. and the remainder to customers in Canada, U. K. and New Zealand.

The mill uses about 175,000 cords of pulpwood annually. Some 70% of this is purchased from local sources. The remainder comes from more than 1,000 square miles of freehold and licensed timberlands.

The two machines are supplied by a groundwood mill and a modernized sulphite mill equipped with three digesters. Recent improvements include installation of a new oil storage tank with a capacity of 30,000 gallons; aluminum hoods for the dryer sections of both machines and the speedup of the Harland drives.

Apart from a small percentage of power generated in its own steam plant the mill uses 190 million kwh of electricity annually from the **Nova Scotia Power Commission's** developments on the Mersey River.

The mill has its own adjoining wharves and a fleet of four ships. The SS Markland, built as a newsprint carrier in 1953, can carry 6,300 tons. Other ships are the Liverpool Rover, the Liverpool Packet and the Vinland.

Consolidated net profit for the year ended Dec. 31, 1957, was $2,274,602. Net for the last eight months of 1956 was $1,385,635. The preceding Mersey firm made $1.2 million in first four months of 1956.

At the end of 1957 outstanding capitalization consisted of 197,855 5½% cumulative redeemable preferred shares, $50 par, and three million npv common shares.

All common shares are held by the **Bowater Corp. of North America Ltd.**, administrative and holding company for all units in North America of **Bowater Paper Corp.** in the U. K.

Funded debt was reduced by the redemption Dec. 1, 1957, of $1.3 million of the

(Continued on page 82)

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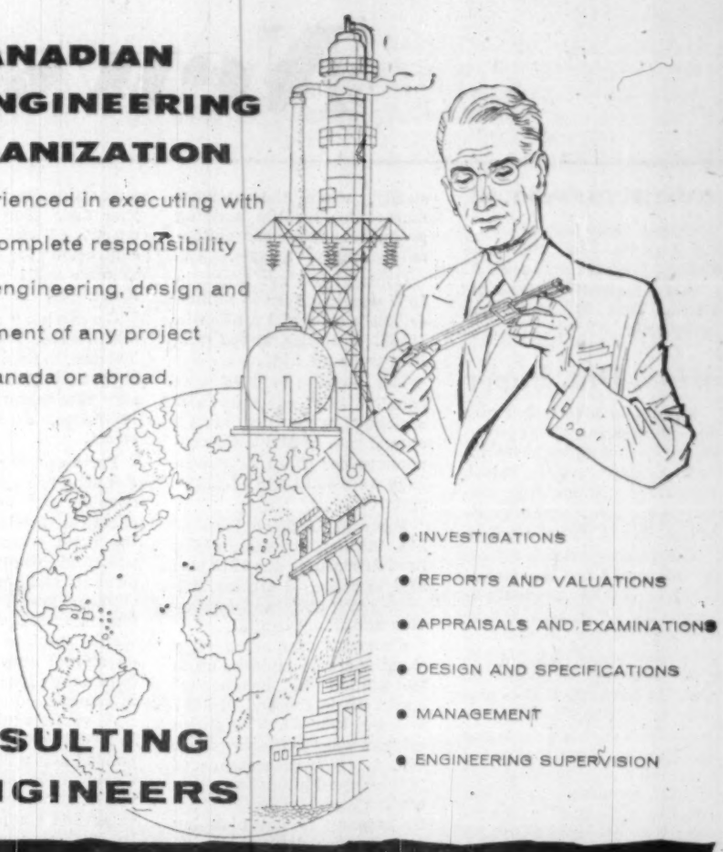

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Newsprint

(CONTINUED FROM P. 81)

principal amount of outstanding 4⅞% first mortgage sinking fund bonds, Series A.

Consolidated working capital at Dec. 31, 1957, was $6,120,968.

Minn. Ont. Paper

Minnesota & Ontario Paper Co., Minneapolis, Minn., produces and markets newsprint and specialty papers, kraft, insulating and building materials and other timber products in the U. S. and Canada.

Company—which is entirely integrated for the manufacture of its products—generates steam and hydro-electric power for its plants at International Falls, Minn., Fort Frances and Kenora, Ont. In addition, Mando also operates a plant through its National Pole and Treating Division at Minneapolis.

At the end of the first half of 1958, company's paper and Insulite mills had an annual capacity of approximately 603,500 tons:

—International Falls mill, three paper machines with an annual capacity of 77,000 tons of bleached kraft, sulphite and groundwood specialty papers.

—Insulite mill with four machines, annual capacity of 450 million sq. ft. of insulation board.

—Fort Frances mill, annual capacity of 127,800 tons of newsprint and groundwood specialties. This mill also has three machines.

—Kenora mill, producing newsprint exclusively, has an annual capacity of 218,680 tons. The mill has had three machines in production since Jan. 29, 1957, when the third machine, No. 10, went on the line.

Company believes it owns or controls pulpwood sources adequate to meet the needs of its three mills in perpetuity. At the end of 1957, Crown concessions in Ontario included 2,490,240 acres. In March, 1958, agreement was concluded with the Ontario Government for an additional 1.3 million acres.

Company also owned 276,000 acres in Minnesota and had cutting rights on 53,000 acres under a Federal Northwest Angle contract and 22,970 acres under State and County permits.

Capital expenditures in 1957 amounted to $5.7 million to bring the total for 1956 and 1957 to $24 million and to $73.8 million during the past 11 years.

First half 1958 net profit was 25% lower, at $2.2 million, than during the same period last year. Results for the period were adversely affected by a strike at the International Falls mill June 3 to July 17.

Although first half newsprint shipments were 1% under the first six months of 1957, Mr. Faegre reported an improved inventory situation, but a continuation of depressed consumption levels among publishers in the middle-western sales area.

"The demand for specialty papers remains reasonably steady, while the national market for Insulite building products is active and noticeably stronger," he said.

Consolidated net profit in 1957 was just over $6 million (slightly over $7.5 million in 1956). Net sales, at $82 million, were up 4.7%.

Net income in 1957 was equal to $2.37 per share and dividends were paid at the annual rate of $1.60. Corresponding per share figures in 1956 were $3.01 and $1.40 respectively.

Early in 1955, an issue of $14 million, 3.30% sinking fund debentures due 1975 was sold to retire $6 million, 4% promissory notes and to provide additional capital.

Company also arranged a standby credit for loans up to $6 million by commercial banks up to the end of 1957 and due 1959-63. This entire amount was "taken down" on Oct. 1, 1957, as a means of providing additional working capital.

Company is not planning any further long-range financing during 1958.

Capitalization outstanding includes: $6 million installment promissory notes to banks, 4% with annual payments due each July 1, from 1959 through 1963; $14 million sinking fund debentures, 3.30% due March 1, 1975, with sinking fund payments of $600,000 payable on Sept. 1, 1958-68 and $650,000 each Sept. 1 thereafter, through 1974; and 2,573,448 common shares, $2.50 par.

N.B. Internat'l

New Brunswick International Paper Co. is a subsidiary of **Canadian International Paper Co.** and operates a newsprint mill at Dalhousie, N.B., on Baie de Chaleur. Daily capacity of the four paper machines totals about 900 tons (277,200 tons annually on a 308-day basis). A wrapper machine has a daily capacity of about 30 tons.

The mill is fully equipped to produce all its own regular pulp requirements. Electric power is purchased from **Gatineau Power Co.** and the **New Brunswick Electric Power Commission**. It is supplemented by company's own generating equipment.

Timber limits cover some 2,454,000 acres.

Financial and operating statements are consolidated with those of **International Paper Co.**, New York.

See Canadian International Paper item elsewhere in this section.

Ontario Paper

Ontario Paper Co., Thorold, Ont., and its wholly owned subsidiaries **Quebec North Shore Paper Co.**, Baie Comeau, Que., and the **Quebec & Ontario Transportation Co.** are owned by the **Chicago Tribune** and the **New York News**. Since there is no public investment interest in the companies, financial statements are not published.

Ontario Paper's Thorold mill produces 660 tons of newsprint daily. Capacity is approximately the same as a year ago. The entire paper output of the company is contracted for the Chicago Tribune and New York Daily News.

Company also contracts with **Beaver Wood Fibre Co.**, Thorold, to take its newsprint output, supplying the necessary raw materials including pulpwood, sulphite and steam.

For a number of years this company has pioneered in the development of nonfibrous chemical products. Among the main chemical products produced commercially are alcohol, vanillin and Lioxin. Ontario Paper's Thorold plant manufactures alcohol from waste sulphite liquor with an annual output of 850,000 imperial gallons which is sold in Canada.

A vanillin plant installed in 1952 is presently being expanded and will shortly have a capacity in excess of 1,500,000 lb. annually and with this expansion company will also be producing and marketing several other chemical products.

A few years ago, company added to its product lines "Aqualig" neutralized lignin sulfonic acid. Product is sold as a dust retardant and road binder.

Company operates a fleet of 10 lake ships through its wholly owned subsidiary, **Quebec & Ontario Transportation Co.**

Powell River

Powell River Co., Vancouver, is the largest producer of newsprint on the West Coast, a major producer of sulphite pulp, and through wholly owned subsidiaries a manufacturer of lumber and other wood products.

Company owns some 15 subsidiaries on the Canadian West Coast including logging, navigation, lumber and corrugated container plants.

A U. S. subsidiary, **Brooks-Scanlon Inc.**, operates a saw milling and lumber business in Bend, Ore. Powell River holds more than 51% of voting stock of this subsidiary.

Powell River's products are sold principally in the western U. S., Canada, Australia, New Zealand, Territory of Hawaii, Alaska, U. K. and the Orient.

Company owns and controls about 938 sq. miles of timber resources, largely located along the north coastal area and Queen Charlotte Islands. It also owns a 450-acre experimental forest at Powell River.

Hydro-electric developments of the company total 95,000 hp. Company also has an auxiliary steam plant of 7,200 hp.

Newsprint sales currently represent about 80% of capacity. Outlook for sale of unbleached sulphite pulp during the second half of 1958 is unfavorable, officials said.

A new 270,000 lb. per hour boiler has been installed this year, and is operating satisfactorily. No other major capital expenditures are anticipated for this year.

Net sales in the first six months of 1958 totaled $23.4 million, compared with $38.8 million in January-June, 1957. Net profit was $2.9 million or 69c per share, compared with $4.3 million or $1.02 per share in the 1957 period. This year's results reflect the effect of the pulp and paper strike which ended in February, and the exclusion of **Martin Paper Products Ltd.**, formerly a wholly owned subsidiary

By volume, newsprint production dropped 26.5% to 166,982 tons, mainly due to loss of production caused by strike. Volume of sales was 26.8% lower than in first half 1957.

Capital expenditures for 1957 totaled $8,383,758. The No. 9 newsprint machine was placed in production in February, 1957.

However, due to strike and cancellation of contract tonnage, and newsprint output dropped to 394,070 tons in 1957 from 402,889 tons in 1956.

Powell River sold a 50% interest in Martin Paper Products Ltd. at the beginning of this year to **MacMillan & Bloedel Ltd.**, manufacturers of forest products, including container board. This gave Martin an assured source of supply for its basic material requirements. Powell River, which retains a 50% interest, continues to manage the operation.

Powell River has no funded debt. Equity capitalization consists of 4,836,975 authorized n.p.v. ordinary shares, of which 4.2 million are outstanding.

Price Bros.

Price Bros. & Co., manufactures newsprint, novel news, and transfer paper; patent coated, pulp boards, food containers, bottle cap, tag, ticket, screenings boards; rough and dressed spruce lumber; boards, industrial and crating lumber and dimension stock.

Company owns and operates two newsprint mills, with necessary pulp manufacturing equipment, having combined annual rated capacity of about 485,000 tons of newsprint.

Company's Kenogami mill in Quebec has annual capacity of 260,000 tons while the Riverbend mill, some 23 miles from Kenogami, has an annual capacity of 225,000 tons. The Kenogami mill is equipped with cardboard and wrapping paper machine which has a capacity of 17,000 tons per year. Products include mill wrappers, screening boards, pulp board.

Company also operates under lease the **Jonquiere Pulp Co.'s** cardboard and specialty mill with an annual capacity of 30,000 tons.

It owns and operates three sawmills at Rimouski, Matane and Price. Their combined annual capacity is about 60 million ft. board measure, plus 30,000 tons of sulphite chips.

Murdock - Willson power development was completed in the fall of 1957. Plant has a capacity of 70,000 hp and replaces the 10,000 hp Murdock Falls plant.

Company owns and operates power plants with an aggregate installed capacity of 210,200 hp. They are located on the Shipshaw, Au Sable, Chicoutimi and Rimouski rivers.

Timber limits to be assigned to the company in compensation for those transferred to others in the South Saguenay area, at the request of the Quebec government, have not yet been completely located.

In 1957 company shipped 493,833 tons of pulp and paper products and 35.8 million bd. ft. of lumber, compared with 512,944 tons and 46.5 million bd. ft. in 1956.

Production of newsprint at 463,022 tons was 3.3% less than the record of 478,699 tons in 1956, while the board output at 37,362 (42,804) tons dropped 12.7%.

Power production at 736 million kwh was 13.3% higher (649.3 million in 1956).

Capital expenditures were $7.6 million ($6.2 million), and consolidated net profit amounted to $6,576,698 ($9,006,939).

Capitalization at Dec. 31, 1957, comprised $6,835,000 first mortgage bonds due 1966, of which $5,696,500 was outstanding; $5 million 4% preferred shares ($100 par) issued and outstanding; and 2,716,336 npv common shares of which 2,191,428 were outstanding.

Current assets were $51.6 million ($55.3 million) and current liabilities $12.7 million ($12.1 million), leaving a working capital of $38.9 million $(43.2 million).

(Continued on page 83)

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Newsprint

(CONTINUED FROM P. 82)

Que. North Shore

Quebec North Shore Paper Co. is a wholly owned subsidiary of **Ontario Paper Co.** and operates a modern newsprint mill at Baie Comeau, Que.

The fully integrated mill has been in operation since 1938 and has two newsprint machines, both fitted with modern vacuum pickup equipment and combined annual newsprint capacity in excess of 185,000 tons. A pulp sales plant of 40,000 annual capacity producing both sulphite and groundwood pulps is also part of the Baie Comeau operations.

Company has extensive timber operations on the St. Lawrence North Shore at Baie Comeau, Franklin and Shelter Bay. The entire paper output is contracted for **New York Daily News** and **Chicago Tribune.**

Quebec North Shore Paper Co. has a substantial interest in **Canadian British Aluminium Co.** which is presently engaged in the construction of a $150 million primary aluminum smelting project at Baie Comeau. This company is currently producing aluminum ingot at the rate of 40,000 long tons of aluminum per annum and is preparing to place in operation facilities for an additional 40,000 long tons of aluminum commencing in the fall of this year.

Quebec North Shore Paper Co. operates a power plant on the Outardes River with an installed capacity of some 77,000 hp. **Manicouagan Power Co.** in which CBA and QNS have joint interests has completed during the year an expansion program which provides a capacity of 250,000 hp. Manicouagan Power's output supplies power to CBA, **Quebec Hydro** and QNS as well as other local and rural consumers.

The capacity of the Baie Comeau mill together with that of Ontario Paper is about 494,000 tons of newsprint and pulp per annum. With the inclusion of by-products such as alcohol and vanillin, and other chemical products, company has annual sales of about $60 million.

Richmond Pulp

Richmond Pulp & Paper Co. of Canada, a company in the **Kruger** organization, Montreal, produces newsprint, groundwood and semi-chemical pulp. Mill is at Bromptonville, Que., administrative offices at Sherbrooke, Que., and head and sales offices at Montreal.

Current production is more than 120,000 tons of newsprint annually.

In 1952 company began its long range $12 million expansion program, including additions to existing buildings to house two more newsprint machines, new electric grinder equipment, its second new chemical pulp plant and a bleaching installation to permit bleaching of a portion of the mill's cooked pulp production.

This expansion, which required new construction of 85,308 sq. ft. of floor space at the original Bromptonville mill, has been completed.

Mill has ample supplies of raw material, guaranteed in perpetuity by control of 300 sq. mi. of crown lands. Land allocated to Richmond is in one of the best high-density black spruce areas of Quebec, along the new Chibougamau railway in Northern Abitibi.

Richmond has recently completed major changes in its barking- and wood-handling facilities, including installing of a new jack ladder, complete conveyor system, two 60-ft. outside drums and a new stacker. To process the additional wood flow, new unloading facilities have been installed at Sherbrooke. New accounting and administrative offices have been provided in a separate building.

Richmond newsprint is sold to publishers in Canada, the U. S., Europe and Latin America under long-term contracts. The export market is being expanded to include many countries previously left unexplored due to insufficient production. Sales representation is provided by **Kruger Paper Co. Inc.** in New York City, and the Montreal head office.

A major part of the new building and extension program was handled by **G. and B. Kruger Engineering Co.,** one of the seven companies comprising the Kruger organization. The remaining five companies are **Kruger Paper Co.,** Montreal, fine paper wholesalers; **Sherbrooke Paper Products Ltd.,** Sherbrooke, Que., manufacturers of corrugated paper boxes; **Aluminum Extruders Ltd.,** Ste. Therese, Que., manufacturers of extruded aluminum shapes; **Nesco Aluminum Ltd.,** Vancouver, manufacturers of aluminum roofing; **Papeles Venezolanos C.A.,** Guacara, Venezuela, manufacturers of tissue paper.

Financial and operating figures are not published. Richmond is privately owned.

Spruce Falls

Spruce Falls Power & Paper Co. operates a newsprint mill at Kapuskasing, Ont.

Just over 50% of the outstanding common stock is owned by **Kimberly-Clark Corp.,** Neenah, Wisconsin. New York Times owns the minority interest.

While the Times buys the largest proportion of its newsprint requirements from Spruce Falls, the mill also sells to various other U. S. newspapers including the Philadelphia Inquirer and the Washington Star.

At Spruce Falls, company operates four paper machines, a mechanical pulp mill with capacity to supply the paper mill's requirements and a chemical pulp mill able to supply the newsprint mill and the pulp requirements of **Kimberly-Clark Canada Ltd.** Plant also supplies parent company with sulphite pulp. In Kapuskasing alone, the Spruce Falls mill employs over 1,500. Another 950 are employed in the company's woodlands.

In 1955 company began a program to speed up its newsprint machines. Objective was to increase capacity by 40,000 tons annually within four years. No. 3 paper machine was speeded up in 1957 and No. 4 early in 1958.

During 1957, company operated at capacity. Paper sales at 244,594 tons were within 1¼% of the previous high established in 1956.

Pulp sales totaled 72,817 tons, almost unchanged from the previous year's 72,840 tons.

Total sales aggregated $35.4 million in 1957 vs. $35.3 million in 1956.

Company's net earnings after taxes came to $4,071,446 in 1957, down from 1956's $5,452,338. Increased manufacturing costs due to higher wages, freight and raw materials costs could not be offset entirely by operating economies or price increases company states.

Dividends were reduced from 35c quarterly to 25c effective with the dividend paid Jan. 1, 1958. Company expects that the present rate will continue through this year.

Kimberly-Clark's investment in Spruce Falls was carried on the parent company's books at year-end at $2,079,501 (unchanged from a year earlier) and equity in net assets was $14,021,338 in U.S. funds ($13,575,903 at the end of 1956).

St. Lawrence

St. Lawrence Corp. manufactures newsprint, shipping case materials, kraft fibre and specialty papers, boxboards, unbleached sulphite, kraft, semi-chemical and groundwood pulps.

Company owns and operates five mills, of which three are in Quebec at Trois Rivieres, Dolbeau and East Angus and two in Ontario at Red Rock and Nipigon.

Mills have a combined annual saleable capacity of about 685,000 tons of pulp and paper products of which 43,000 tons are market pulp, 214,000 tons are kraft products and 428,000 tons are newsprint.

Total capacity of newsprint mills include 234,000 tons at Trois Rivieres, 134,000 at Dolbeau and 60,000 tons at Red Rock. Sales of newsprint last year amounted to 392,957 tons against 393,216 in 1956. In the first six months of 1958, company sold 176,466 tons.

Timber limits held by the company under conditional leases, licenses and rights from provincial governments, together with about 140 sq. mi. in freehold and the equivalent of about 54 sq. mi. held in freehold by a wholly-owned subsidiary in the U. S., have an aggregate area of about 9,091 sq. mi.

This area is estimated to contain at least 53.6 million cunits of pulpwood made up of spruce, balsam, jackpine and usable hardwood. A cunit represents 100 solid cu. ft. of wood.

Principal market for company's output of newsprint is the U. S. although some is sold overseas and in domestic markets. Practically all kraft products are sold in Canada. Surplus pulps are sold in Canada, the U. S. and overseas.

Company spent $49.5 million between 1952 and 1957 inclusive on capital account on mill plant and equipment, timber limits and woodland improvements and equipment.

Additions and improvements to capital assets improved the manufacture of finished products and increased annual saleable capacity of pulp and paper products from about 530,675 tons in 1951 to about 685,000 tons by 1957.

In October, 1955, company started a program for modernization and speed-up of plant and equipment at the Trois Rivieres and Dolbeau mills, involving expenditures estimated at $9 million to be completed in 1958.

Purpose was to increase operating efficiency of these mills and expand annual saleable capacity of newsprint by 18,500 tons at Trois Rivieres and 21,500 tons at Dolbeau.

Projected increase in capacities now has been achieved.

In April, 1957, company announced a program to expand kraft pulp capacity at the Red Rock mill (see Pulp Section). When the programs there are finished, total annual saleable capacity of pulp and paper products will approximate 755,000 tons.

Of 500,000 $100 par preferred shares authorized 150,000 5% preferred shares, Series A, were sold in 1956. At July 16, 1958, there were 145,701 outstanding.

Company has 10 million common shares authorized, of which 4,454,708 are outstanding.

By Dec. 31, 1957, company had redeemed $5,042,199 of the $30 million first mortgage sinking fund bonds, series A and B, issued in 1952. In May, 1958, a new issue of $12.5 million 5% series C 20-year sinking fund bonds was floated. Proceeds for general corporate purposes and for repayment of bank loans which at end of 1957 totaled $5,399,191.

Niagara Wires

FOURDRINIER WIRES AND CYLINDER COVERS

for the Pulp and Paper Industry

BRASS AND PHOSPHOR BRONZE WIRE CLOTH — DRAWN WIRE

Modern wire-drawing plant for the production of brass, phosphor bronze and other non-ferrous wire in fine sizes.

THE NIAGARA WIRE WEAVING CO. LTD.

NIAGARA FALLS ONTARIO, CANADA

Canadian Asset

The forests are Canada's leading national asset. They create more wealth than any other resource. Through forest management, pulp and paper people increase the productivity of the woodlands. Mature trees are harvested for use. Seedlings are nurtured. Young trees are protected. So, pulp and paper companies manage their woodlands for continuous wood supplies and the nation benefits from the conservation for use of this great national resource.

PULP & PAPER INDUSTRY OF CANADA

FINE AND SPECIALTY PAPERS DIVISION
THE E. B. EDDY COMPANY
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modern business
specifies CHENEAUX BOND
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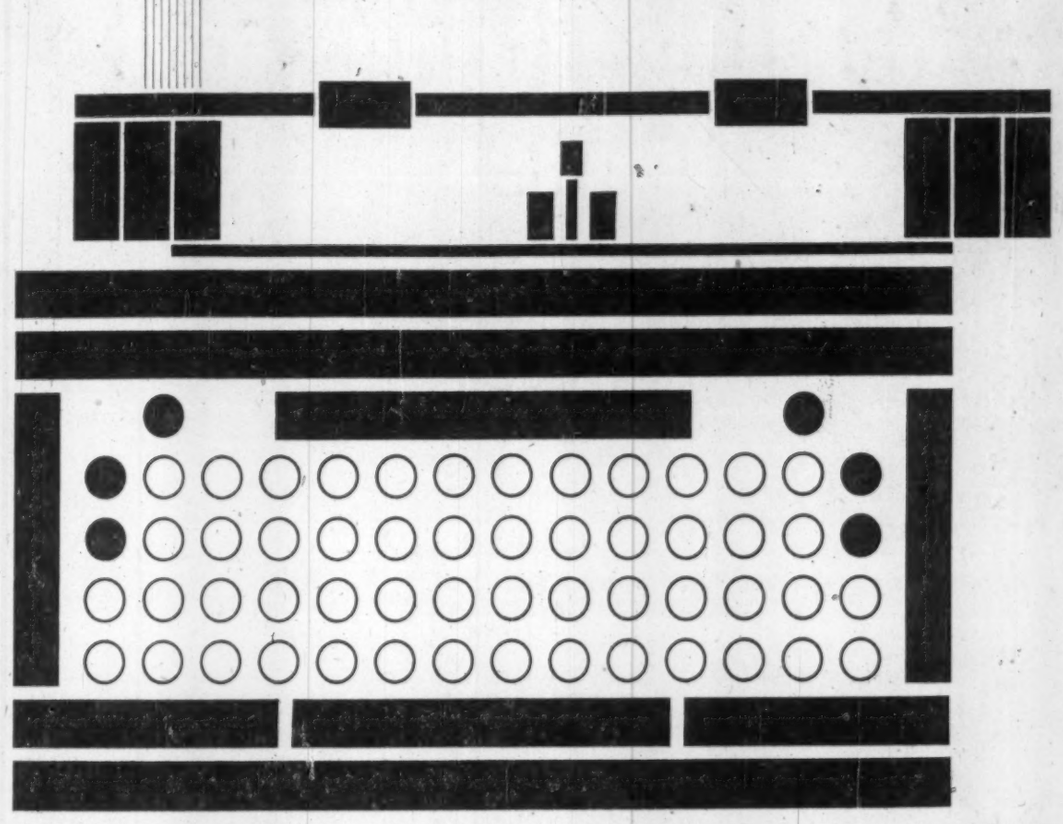
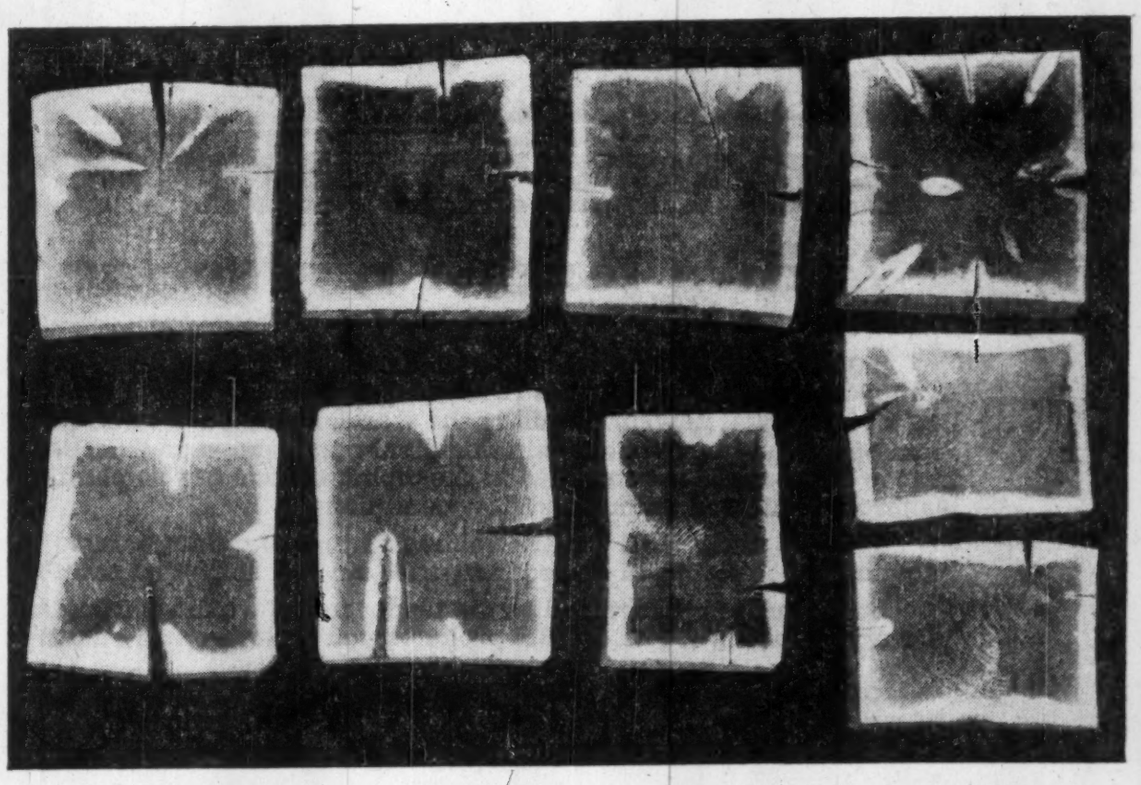
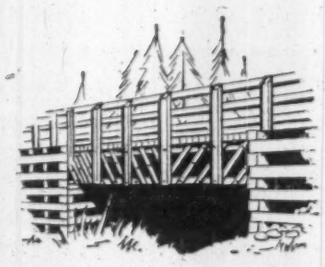




THIS 17-YEAR-OLD WOOD
made a profit for itself!



In 1940, the Department of Roads of the Province of Quebec built a bridge in the Lake St. John district using locally cut green spruce which, untreated, has a life of but 10 years. To increase the life of the bridge, the timbers were treated on location with "Osmose" wood preservatives.

In 1957, after 17 years in service, this bridge was replaced because of road widening. All "Osmose"-treated timber was found to be in such perfect, sound condition that it was sold for as high as $85 per M.B.F. — considerably more than its original cost.

The soundness of this "Osmose" preserved wood is shown in the above photograph of tested cross sections of various timbers from the bridge. The light area indicates the deep penetration attained by the "Osmose" process, especially around the joints, knots, checks, nail and bolt holes. Actual samples are available for your inspection.

Many other "Osmose" jobs—bridges, dams, flumes, poles, roofs, ties—dating back to the same period are still giving safe, dependable, maintenance-free service—proof that "Osmose" is a simple, economical, effective field treatment for the preservation of wood. Consult our free service department.

OSMOSE
WOOD PRESERVING COMPANY OF CANADA LIMITED
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welding fittings and flanges

POWELL RIVER
World's largest newsprint mill

1500 tons of newsprint is the daily capacity of Powell River Company Limited. Such production is the result of 2100 skilled employees working in the largest individual newsprint mill in the world, located at Powell River, B.C. Piping plays an important part in this giant operation—and TUBE-TURN* welding fittings and flanges are installed in the piping system of this plant to ensure leakproof joints and unimpeded flow conditions.

You will find TUBE-TURN welding fittings and flanges used in many of Canada's pulp and paper plants, in varied industries, and on ships that sail the high seas.

Tube Turns is recognized as the leader in the welding fitting and flange field. When you specify TUBE-TURN products you receive extra values at no extra cost:

QUALITY MADE in Canada to exacting specifications for uniformity in size, circularity and wall thickness;

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CLEARLY MARKED for quick, accurate identification;

AVAILABLE IN SIZES from ½" to 42" diameter, in carbon steel, stainless steel, aluminum, and other metals and alloys.

Your nearby stocking Canadian Distributor can supply all your welding fitting and flange requirements

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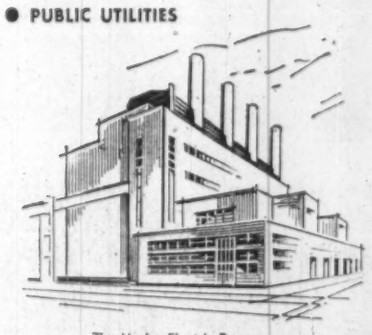
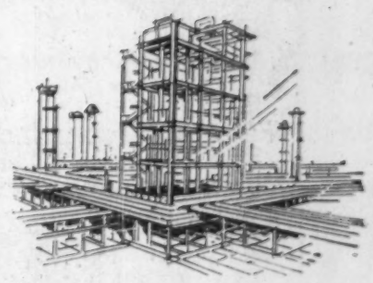


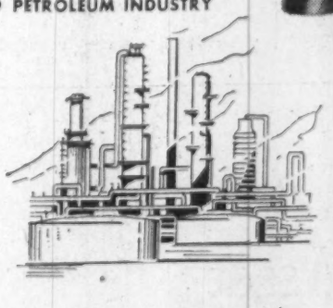
The Hydro-Electric Power Commission of Ontario
J. Clark Keith Generating Station, Windsor, Ontario

● PETROCHEMICAL INDUSTRY



Carbide Chemicals Company
Division of Union Carbide Canada Limited, Montreal East, Quebec

● PETROLEUM INDUSTRY



The British American Oil Company Ltd., Clarkson, Ontario

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